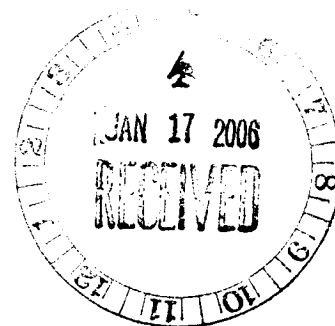


BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34822



KANSAS CITY SOUTHERN, THE KANSAS CITY SOUTHERN
RAILWAY COMPANY, AND MERIDIAN SPEEDWAY, LLC --
EXEMPTION FOR TRANSACTIONS WITHIN A CORPORATE FAMILY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)

215-580

TRAINING BOARD

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Office of Proceedings

JAN 13 2006

Part of
Public Record

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Attorneys For Kansas City Southern, The Kansas
City Southern Railway Company, and Meridian
Speedway, LLC

January 17, 2006

FILED

JAN 17 2006

TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34822

**KANSAS CITY SOUTHERN, THE KANSAS CITY SOUTHERN
RAILWAY COMPANY, AND MERIDIAN SPEEDWAY, LLC --
EXEMPTION FOR TRANSACTIONS WITHIN A CORPORATE FAMILY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

Kansas City Southern (“KCS”), The Kansas City Southern Railway Company (“KCSR”), and the newly-formed Meridian Speedway, LLC (“MSLLC”) (collectively, “Parties”) hereby submit this notice, pursuant to 49 C.F.R. §1180.2(d)(3), for an exemption from the prior approval and authorization requirements of the Surface Transportation Board (“STB” or “Board”) of a transaction within a corporate family. The transaction involved in this Notice of Exemption is MSLLC’s acquisition of KCSR’s rail line between Meridian, MS and Shreveport, LA (“the Line”), KCS’s continuance in control of MSLLC when it becomes a carrier (upon acquiring the Line), and the subsequent grant back of operating rights by MSLLC to KCSR to allow KCSR to operate as MSLLC’s contract operator in fulfilling MSLLC’s contractual and common carrier obligations. In support of this Notice of Exemption and in compliance with 49 C.F.R. §1180.4(g), the Parties state the following:

49 C.F.R. §1180.6(a)(1)(i)—Description of Transaction and Parties Thereto:

a. Description of Transaction.

Kansas City Southern is a publicly traded, non-carrier holding company, with both rail and non-rail assets. KCS currently controls three common carriers subject to the jurisdiction of the STB: The Kansas City Southern Railway Company, Texas Mexican Railway Company, and

Gateway Eastern Railway Company.¹ KCSR is a Class I common carrier railroad that owns and operates approximately 3,100 miles of rail line in ten states. GWER is a Class III common carrier railroad that owns and operates approximately 17 miles of rail lines between East Alton, Illinois and East St. Louis, Illinois, and owns the rail and related materials on many of KCSR's branch lines. Tex Mex is a Class II common carrier railroad that owns and operates over 157 miles of rail line between Laredo and Corpus Christi, TX. Tex Mex also operates via trackage rights over approximately 379 miles of rail lines owned by Union Pacific Railroad Company ("UP") and Houston Belt & Terminal Railway Company between Robstown, TX and Beaumont, TX, via Houston.

MSLLC is a newly-created, wholly-owned subsidiary of KCS. MSLLC will become a common carrier railroad subject to the Board's jurisdiction upon consummation of the transaction.

One of the rail lines currently owned and operated by KCSR is known as the Meridian Speedway. The Speedway is an east/west rail line located between Meridian, MS, and Dallas, TX, which passes through Shreveport, LA. The lines of other railroads that connect with the Speedway include the UP at Shreveport, LA; the BNSF Railway Company ("BNSF") near Dallas, TX; the Canadian National Railway Company ("CN") at Jackson, MS; and the Norfolk Southern Railway Company ("NSR") and the Meridian & Bigbee Railroad Company at Meridian, MS.

The primary commodities transported over the Speedway by KCSR in both overhead and local service include consumer goods, forest products, automobiles, and chemicals. The Speedway

¹ KCS's control of KCSR and its then existing rail carrier subsidiaries was found not to require ICC approval in Kansas City Southern Industries, Inc.—Control—Kansas City Southern Railway Company, 317 I.C.C. 1 (1962). KCS received authority to commonly control KCSR and GWER in Kansas City Southern Industries, Inc., KCS Transportation Company, and The Kansas City Southern Railway Company—Control—Gateway Western Railway Company and Gateway Eastern Railway Company, Finance Docket No. 33311 (STB served May 1, 1997). KCS received authority to commonly control KCSR, GWER, and Tex Mex in Kansas City Southern—Control—The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company, Finance Docket No. 34342 (STB served Nov. 29, 2004).

also serves as a mid-continent link for shuttling intermodal containers between West Coast ports and points in the Southeast.

Transcontinental intermodal service is currently provided across the Speedway pursuant to a haulage agreement between NSR and KCSR, which the parties entered in 2000 (the “Existing NSR Haulage Agreement”). Containers in the account of NSR are moved by KCSR between Meridian, MS and Dallas, TX. These containers are transported between Dallas and the West Coast by BNSF, and between Meridian, MS and points east by NSR. For such east/west intermodal traffic, the Speedway acts as an alternative route to those more commonly used by other railroads via other gateways, including Memphis, New Orleans and Birmingham. KCSR does not provide haulage service for intermodal traffic over the Speedway to any other railroad and NS is the sole provider of such transcontinental container traffic over the Line.²

As with other haulage arrangements, containers handled by KCSR for NSR remain in NSR’s account between Dallas and Meridian and never enter KCSR’s account. KCSR’s sole role is that of a haulage carrier, providing the track, crews, dispatching, and other operating facilities required to transport the containers over the Speedway. NSR is solely responsible for, and exercises control over, the pricing and marketing of that traffic.

Notwithstanding significant capital enhancements over the past five years, the Line has become capacity constrained as traffic between the Southwest and the Southeast has grown. This capacity crunch and other constraints currently limit the ability of KCSR and NSR to attract more traffic to their services using the Speedway.

² KCSR participates today as a line-haul carrier in a small volume of intermodal trailer traffic that originates on BNSF in California. These trailers, which total approximately 2,600 units per year, or 50 units per week, are transferred over the road to KCSR at Dallas, are rebilled, and then subsequently moved in KCSR’s account between Dallas and Meridian in different trains than those in which NSR haulage traffic moves. At Meridian, they are delivered to NSR for subsequent

Last year, NSR approached KCSR about extending the Existing NSR Haulage Agreement. During those discussions, it became clear that substantial capital investments would be required to provide the train speeds and line capacity the parties believed was needed to handle future traffic growth on the Line. However, KCSR does not have sufficient resources to support the sustained capital spending program necessary to accommodate both NSR's and KCSR's projected traffic needs. Moreover, while NSR was willing to participate in the necessary investment, it did not want to do so unless it could be assured that other carriers would not use the capacity NS's investment would help to create. The parties reached a series of agreements that addressed these concerns.

On December 2, 2005, KCS and NSR announced agreement on a series of transactions. The first step involved the creation of a new, wholly-owned KCS subsidiary, MSLLC. Upon regulatory approval, KCSR will contribute to MSLLC the Line (consisting of 320-miles between Meridian, MS, M.P. 0.0., and Shreveport, LA, M.P. V-169.85).³ Concurrent with MSLLC's acquisition of the Line, NSR will acquire a 30% equity interest and certain minority voting and ownership rights in MSLLC; however, KCS will remain in control of MSLLC. In exchange for its equity interest and voting and ownership rights, NSR will contribute \$300 million in cash, at least \$260 million of which will be used to fund capital improvements over the next four years to

movement by NSR to destination. This trailer traffic will continue to move in the same manner following consummation of the proposed transaction.

³ KCSR currently operates via trackage rights over approximately four-tenths of a mile section of track in Jackson, Mississippi that is controlled by Canadian National Railway (as successor to Illinois Central Gulf Railroad Company ("IC")) pursuant to a trackage rights agreement dated March 26, 1986, between Midsouth Rail Corporation and IC ("Jackson Trackage Rights Agreement"). KCSR also currently operates over a railroad bridge over the Mississippi River at Vicksburg, MS pursuant to a lease agreement between the Vicksburg Bridge and Terminal Company and The Yazoo and Mississippi Valley Railroad Company dated February 11, 1928, as amended and/or replaced from time to time ("Vicksburg Bridge Lease"). The transaction contemplates having both the Jackson Trackage Rights Agreement and the Vicksburg Bridge Lease being assigned to MSLLC.

increase the capacity of the Line.⁴ NSR will be the sole provider of service for transcontinental intermodal traffic over the Line. Specifically, NSR will be the sole provider, via haulage and trackage rights over the Line, of service for transcontinental intermodal container traffic moving on the Line that does not originate or terminate on KCS's current system and that both (a) originates or terminates in the United States at or east of Meridian and enters or exits the Line at Meridian, and (b) originates or terminates in the United States west of Fort Worth, Texas, and enters or exits the Line at Shreveport.

Through its acquisition of the Line, MSLLC will become a common carrier subject to the Board's jurisdiction. However, MSLLC will not operate the Line. Instead, MSLLC will contract with KCSR for KCSR to be the operator of the Line. Under this agreement, KCSR will provide all necessary operating and administrative functions on MSLLC's behalf, including fulfilling any obligations MSLLC may have under its contracts. MSLLC will also grant certain local and overhead trackage rights to KCSR for KCSR to continue to operate over the Line much as it does today.⁵ MSLLC will also grant certain trackage and haulage rights to NSR.⁶ As the contract operator for MSLLC, KCSR will perform the haulage services contemplated by MSLLC's agreement with NSR, while simultaneously operating over the Line for its own account pursuant to local and overhead trackage rights granted by MSLLC to KCSR.

Pursuant to 49 C.F.R. §1180.2(d)(3), KCS, KCSR, and MSLLC invoke the Board's class exemption from the prior approval requirements of 49 U.S.C. § 11323 for transactions within a

⁴ These capital improvements will include signal systems, extended sidings, stretches of double track, upgrading track speeds, and other capacity enhancements.

⁵ MSLLC's grant of local and overhead trackage rights to KCSR is the subject of a concurrently filed Notice of Exemption filed pursuant to 49 CFR 1180.2(d)(7) in Finance Docket No. 34823.

⁶ MSLLC's grant of certain haulage and trackage rights to NSR is the subject of a concurrent Notice of Exemption filed by NSR pursuant to 49 CFR 1180.2(d)(7) in Finance Docket No. 34821.

corporate family for the transfer of the Line to MSLLC, the assignment of the Jackson Trackage Rights Agreement and the Vicksburg Bridge Lease to MSLLC, KCS's continuance in control of MSLLC when it becomes a carrier, and the grant back of operating rights to KCSR to enable KCSR to act as MSLLC's contract operator and to provide certain rail services for its own account.

b. Names, Addresses, and Phone Numbers of Involved Parties.

KANSAS CITY SOUTHERN	THE KANSAS CITY	MERIDIAN
427 West 12 th Street	SOUTHERN RAILWAY	SPEEDWAY, LLC
Kansas City, MO 64105	COMPANY	427 West 12 th Street
Tel: (816) 983-1370	427 West 12 th Street	Kansas City, MO 64105
Fax: (816) 983-1227	Kansas City, MO 64105	Tel: (816) 983-1370
	Tel: (816) 983-1370	Fax: (816) 983-1227
	Fax: (816) 983-1227	

c. Names of Counsel to Whom Questions Can Be Addressed.

Correspondence with respect to this Verified Notice of Exemption should be addressed to:

Robert B. Terry	William A. Mullins
Thomas J. Healey	David C. Reeves
KANSAS CITY SOUTHERN	BAKER & MILLER PLLC
427 West 12 th Street	2401 Pennsylvania Ave., N.W.
Kansas City, MO 64105	Suite 300
Tel: (816) 983-1370	Washington, D.C. 20037
Fax: (816) 983-1227	Tel: (202) 663-7823
	Fax: (202) 663-7849

49 C.F.R. §1180.6 (a) (1) (ii) --Consummation Schedule.

The Parties propose to transfer the Line to MSLLC, and to commence operations under the agreements discussed above, immediately upon the later of (1) completion of the seven day period following the filing of this Notice of Exemption and the concurrently filed Notices of Exemptions filed in F.D. Nos. 34821 and 34823, or (2) completion of the environmental or historical documentation process as required under 49 C.F.R. § 1105.

49 C.F.R. §1180.6 (a) (1) (iii) -- Purpose of the Transaction.

The purpose of this transaction is innovatively to expand capacity on the Line for the benefit of customers and the national transportation network. The Line is an important east-west route that is in need of considerable investment in roadbed, signal systems, yards and sidings in order to provide sufficient capacity for KCSR's and NSR's existing and future traffic needs.

Although KCSR has completed certain infrastructure improvements, it has been unable to expand the capacity of the Line at a pace commensurate with the growing demand for rail transportation between the Southwest, including the West Coast ports, and the Southeast. The proposed transaction, and the trackage rights contemplated by the Notices of Exemption filed by KCSR and NSR in Finance Docket Nos. 34823 and 34821, address that investment need by injecting at least \$260 million, or an average of almost \$800,000 per route mile, into the Line over about four years. The capacity improvements made possible by the transaction will benefit all traffic on the Line. KCSR's local and overhead traffic should benefit from the added capacity that will give more customers the opportunity to move more freight. With this investment, the Line should be more competitive for intermodal traffic with other rail routes, including routes via the New Orleans, Memphis, and Birmingham gateways, and other modes of transportation. Additionally, the investment in Centralized Traffic Control on more than 260 miles of the Line will add an extra element of safety to rail operations over the Line.

Once implemented, this transaction will perpetuate the haulage arrangements that NSR and KCSR have had over the Line while significantly expanding capacity for all traffic. It will make permanent another routing option for NSR's customers for certain intermodal traffic and will preserve jobs while enhancing job opportunities.

49 C.F.R. §1180.6 (a) (5) -- List of States in Which the Parties' Property is Located.

The states in which KCSR's rail lines are located are Illinois, Kansas, Missouri, Oklahoma, Arkansas, Texas, Louisiana, Mississippi, Tennessee, and Alabama. KCSR also conducts rail business, through haulage rights, in the states of Nebraska and Iowa. The Line to be transferred to MSLLC and to be operated by KCSR on behalf of MSLLC is located in Mississippi and Louisiana.

49 C.F.R. §1180.6 (a) (6) -- Map Exhibit.

A map showing the location of the Line being transferred to MSLLC, its relationship to KCSR and other Class I carriers and short line connections, and the principal geographic points in the region traversed is attached as Exhibit 1.

49 C.F.R. §1180.6 (a) (7) (ii) -- Agreement Exhibit.

Not every agreement that the parties have entered into in connection with the transaction is relevant to the matters involved in this Notice of Exemption. Nonetheless, the Parties attach, as Exhibit 2, copies of the various agreements governing the transaction among KCS, KCSR, MSLLC, and NSR. Those agreements consist of a Transaction Agreement, minus non-relevant exhibits, but inclusive of the relevant rail operating agreements. The relevant rail operating agreements attached, which themselves are considered exhibits to the Transaction Agreement, consist of the Meridian Speedway LLC Agreement, KCSR – MSLLC Joint Use Agreement, NSR – MSLLC Joint Use Agreement, MSLCC – KCSR Operating Agreement, Western Haulage Agreement, Master Interchange Agreement, Unified Assignment and Assumption Agreement, Omnibus Bill of Sale, Vicksburg Assignment and Assumption Agreement, Jackson Assignment and Assumption Agreement, Unified Liability Agreement, Dallas Terminal Marketing Agreement, and Jackson Haulage Agreement. Certain confidential business terms have been redacted from the copies of the agreements submitted with the public version of this Notice.

Concurrent with the submission of those agreements, KCS is also filing a Motion for Protective Order whereby it requests that the Board adopt certain well-established procedures and processes governing the submission and exchange of confidential documents and information in this proceeding. KCS is also submitting, under seal, and subject to the Protective Order, unredacted Highly Confidential versions of the agreements that were submitted in the public version of this Notice.

49 C.F.R. §1180.4 (g) (1) (i) -- Level of Labor Protection.

Because KCSR will operate the Line on behalf of MSLLC (including providing haulage services to NSR for certain intermodal traffic), and will continue to operate over the Line for its own account pursuant to the local and overhead trackage rights granted to KCSR by MSLLC in Finance Docket No. 34823, the transaction contemplated by this Notice will not result in any adverse impacts on labor. Indeed, as the capacity of the Line increases and traffic levels correspondingly increase, the Parties anticipate that the transaction will generate additional opportunities for rail employment. Nonetheless, 49 U.S.C. §11326 requires imposition of labor protection for transactions approved or exempted pursuant to 49 U.S.C. § 11323. Under the statute and case precedent, the appropriate labor protection for this transaction is contained in New York Dock Ry.--Control--Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

49 C.F.R. §1105.6 through 1105.8--Environmental Report.

Because the transaction contemplated by this Notice does not contemplate any formal consolidation of the railroads' operations, and does not include any line abandonments or curtailment of service to customers, it should strengthen the transportation marketplace and have de minimis impacts on the environment and the communities which the Line transits. Nonetheless, recognizing that the investments contemplated by the transaction will create enhanced capacity

which in turn should lead to additional volumes of rail traffic on the Line, NSR and KCSR have consulted with the Board's Section of Environmental Analysis ("SEA") regarding retention of a third party contractor to discharge the Board's duties under the National Environmental Policy Act and the Board's implementing regulations under this Notice and the corresponding Notices filed in F.D. Nos. 34821 and 34823. As a result, no environmental or historic report need be filed with this Notice. See 49 CFR § 1105.10(d).

Respectfully submitted this 17th day of January, 2006.

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Thomas J. Healey
KANSAS CITY SOUTHERN
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Kansas City, MO 64105
Tel: (816) 983-1370
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Attorneys For Kansas City Southern, The Kansas City
Southern Railway Company, and Meridian Speedway,
LLC

VERIFICATION

STATE OF MISSOURI

COUNTY OF JACKSON

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)

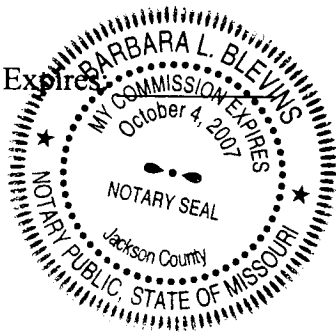
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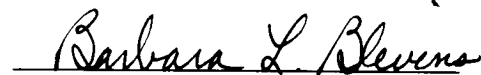
I, Michael R. Haverty, being duly sworn, depose and state that I am the Chairman, President, and Chief Executive Officer of Kansas City Southern, and the Chairman of The Kansas City Southern Railway Company, that I am authorized to make this verification, that I have read the foregoing "Verified Notice of Exemption Pursuant to 49 C.F.R. §1180.2 (d) (3)", and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.


Michael R. Haverty

SUBSCRIBED AND SWORN TO before me this 13 day of January, 2006, in the County of Jackson, State of Missouri.

My Commission Expires




Notary Public

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34822

**KANSAS CITY SOUTHERN, THE KANSAS CITY SOUTHERN
RAILWAY COMPANY, AND MERIDIAN SPEEDWAY, LLC --
EXEMPTION FOR TRANSACTIONS WITHIN A CORPORATE FAMILY**

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

49 C.F.R. §1180.6 (a) (6) -- Map Exhibit 1

Meridian Speedway

Shreveport to Meridian

Kansas City Southern KCS

KCS Trackage/Haulage Rights

Burlington Southern BNSF

Legend

— KCS

— BNSF

— USRR

— LDOR

— AKDN

— SRN

— UP

— M&N

— C&O

— W&A

— T&O

— N&W

— S&W

— I&M

— C&M

— D&M

— H&M

— G&M

— F&M

— E&M

— A&M

— J&M

— K&M

— L&M

— P&M

— Q&M

— R&M

— S&M

— T&M

— U&M

— V&M

— W&M

— X&M

— Y&M

— Z&M

— AA&M

— AB&M

— AC&M

— AD&M

— AE&M

— AF&M

— AG&M

— AH&M

— AI&M

— AJ&M

— AK&M

— AL&M

— AM&M

— AN&M

— AO&M

— AP&M

— AQ&M

— AR&M

— AS&M

— AT&M

— AU&M

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PURSUANT TO 49 C.F.R. §1180.2(d)(3)**

49 C.F.R. §1180.6 (a) (7) (ii) -- Agreements Exhibit 2

PUBLIC VERSIONS

PUBLIC TRANSPORTATION AGREEMENT

EXECUTION COPY

TRANSACTION AGREEMENT

BY AND AMONG

KANSAS CITY SOUTHERN,

THE KANSAS CITY SOUTHERN RAILWAY COMPANY,

NORFOLK SOUTHERN CORPORATION,

AND

**THE ALABAMA GREAT SOUTHERN RAILROAD
COMPANY**

DATED AS OF

DECEMBER 1, 2005

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TRANSACTION AGREEMENT

THIS TRANSACTION AGREEMENT (this "Agreement") is made and entered into as of December 1, 2005, by and among KANSAS CITY SOUTHERN, a Delaware corporation ("KCS"), THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation and Subsidiary of KCS ("KCSR"), NORFOLK SOUTHERN CORPORATION, a Virginia corporation ("NS"), and THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY, an Alabama corporation and Subsidiary of NS ("AGS"), with reference to the following facts:

- A. KCS, through KCSR, currently owns or operates certain properties, trackage rights, signals, equipment, and other rights, Permits, claims, contracts and assets related thereto, in each case, as set forth on Annex A hereto (collectively, the "Assets"), constituting the rail line between Meridian, Mississippi and Shreveport, Louisiana identified on Annex B (the "Line").
- B. KCS and NS have determined that it is advisable to form a joint venture which will own such Assets, and, at the Closing, KCS and NS, through AGS, will form a limited liability company (the "Company") for the purpose of effecting the joint venture contemplated hereby and enter into a Limited Liability Company Agreement substantially in the form attached hereto as Exhibit A (the "Company Agreement") setting forth their rights and obligations as members of the Company.
- C. On the terms and subject to the conditions contained herein, KCS desires to, and desires to cause KCSR to, contribute the Assets to the Company in exchange for a 70% membership interest in the Company, (as contemplated by the Company Agreement), and NS desires to cause AGS to contribute the amounts contemplated by Schedule 2.1(a) to the Company in exchange for a 30% membership interest in the Company.
- D. In connection with the transactions contemplated by this Agreement and the Company Agreement, at the Closing, the parties will enter into, or will cause the Company or their respective Affiliates to enter into, as applicable: (i) an Operating Agreement substantially in the form attached hereto as Exhibit B (the "Operating Agreement"), (ii) an NSR Joint Use Agreement substantially in the form attached hereto as Exhibit C (the "NSR Joint Use Agreement"), (iii) a KCSR Joint Use Agreement substantially in the form attached hereto as Exhibit D (the "KCSR Joint Use Agreement"), (iv) a Western Haulage Agreement substantially in the form attached hereto as Exhibit E, (v) a KCSR Master Interchange Agreement substantially in the form attached hereto as Exhibit F, (vi) a Unified Assignment and Assumption

Agreement substantially in the form attached hereto as Exhibit G, (vii) the Vicksburg Assignment Agreement (as defined in Section 3.1(b)), (viii) the Jackson Assignment Agreement (as defined in Section 3.1(c)), (ix) one or more Notes (as defined in Section 4), (x) the Omnibus Bill of Sale attached hereto as Exhibit H, (xi) the Unified Liability Agreement attached hereto as Exhibit I, (xii) the Dallas Terminal Marketing Agreement attached hereto as Exhibit J, (xiii) the NSR – KCSR Haulage Agreement (as defined in Section 3.1(c)) and (xiv) the Access Agreement (as defined in Section 10.2(c)) (collectively, the "Ancillary Agreements").

NOW, THEREFORE, with reference to the foregoing facts and in consideration of the mutual agreements and understandings set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

1.1 Certain Definitions. All terms defined in this Agreement shall have the defined meanings when used in this Agreement or in any agreement, note, certificate, report or other document made or delivered pursuant to this Agreement, unless otherwise defined or the context otherwise requires. The following terms shall have the following meanings:

"AAA" shall have the meaning given to that term in Section 14.13.

"Access Agreement" shall have the meaning given to that term in Section 10.2(c).

"Action" means any litigation, action, suit, proceeding, investigation, arbitration, claim or other dispute by or before any court or other Governmental Authority, or any other alternative dispute resolution proceedings, such as arbitration or mediation.

"Affiliate" shall mean, with respect to any specified Person, (i) any other Person who, directly or indirectly, controls, is under common control with, or is controlled by, such specified Person, (ii) any other Person who is a director, officer, manager, member, partner or trustee of the specified Person or a Person described in clause (i) of this definition or any spouse of the specified Person or any such other Person or (iii) any Person of which the specified Person and/or any one or more of the Persons specified in clause (i) or (ii) of this definition, individually or in the aggregate, beneficially own 10% or more of any class of voting securities.

"Aggregate NS Consideration" shall have the meaning given to that term in Schedule 2.1(a).

"Agreement" shall have the meaning given to that term in the Recitals.

"AGS" shall have the meaning given to that term in the Recitals.

"Alternative Proposal" shall have the meaning given to that term in Section 10.3.

"Ancillary Agreements" shall have the meaning given to that term in the Recitals.

"Anniversary Date" shall have the meaning given to that term in Section 2.1(b).

"Appraiser" shall have the meaning given to that term in Section 10.10(d).

"Appraisal Report" shall have the meaning given to that term in Section 10.10(e).

"Assets" shall have the meaning given to that term in the Recitals.

"Assumed Liabilities" shall have the meaning given to that term in Section 3.2(a).

"Business Combination" shall have the meaning given to that term in Section 10.8.

"Business Day" shall mean any day other than a Saturday or Sunday or any day banks in the State of New York are authorized or required to be closed.

"Canadian National" shall mean the Canadian National Railway Company.

"Capital Contribution Amount" shall mean, on any given date, the total of the KCSR Borrowing Capacity and the Company Capital Amount.

"Capital Proceeds" shall have the meaning given to that term in Section 2.2.

"Charter Documents" shall mean the certificate of incorporation or articles of incorporation and the by-laws, with respect to a corporation; the partnership agreement, with respect to a general partnership; or the certificate of formation and operating or company agreement, with respect to a limited liability company.

"Cleanup" shall mean all actions, including investigations, required by Law to: (1) cleanup, remove, treat or remediate Hazardous Materials in the environment; (2) prevent the Release of Hazardous Materials so that they do not migrate, endanger or threaten to endanger public health or welfare or the environment; (3) perform pre-remedial studies and investigations and post-remedial monitoring and care; or (4) respond to any government requests for information or documents in any way relating to cleanup, removal, treatment or remediation or potential cleanup, removal, treatment or remediation of Hazardous Materials in the environment.

"Closing" shall mean the closing of the purchase and sale of the NS Interest on the Closing Date as contemplated by Section 2.1(a) and the contribution of the Assets in exchange for the KCS Interest.

"Closing Date" shall have the meaning given to that term in Section 6.1.

"Company" shall have the meaning given to that term in the Recitals.

"Company Agreement" shall have the meaning given to that term in the Recitals.

"Company Capital Amount" shall mean, as of any determination date, the total amount that the Company will be able to expend for capital improvements on the Line within one-hundred eighty (180) days of such date in accordance with Section 4.06(iii) of the Indentures which improvements were not the subject of any prior calculation of the Company Capital Amount.

"Company Indemnified Parties" shall have the meaning given to that term in Section 12.2(a).

"Company Line Assets" shall have the meaning given to that term in Section 10.10(a)(ii).

"Confidentiality Agreement" shall have the meaning given to that term in Section 10.2(a).

"Contract" shall mean any note, bond, debenture, mortgage, license, agreement, commitment, contract, obligation, promise or understanding.

"Conveying Party" shall have the meaning given to that term in Section 3.1(c).

"Damages" shall have the meaning given to that term in Section 12.2(a).

"Delaware Courts" shall have the meaning given to that term in Section 14.5(b).

"Dispute" shall have the meaning given to that term in Section 14.13.

"Dispute Notice" shall have the meaning given to that term in Section 14.13.

"Disclosure Schedule" shall have the meaning given to that term in Article 8.

"Environmental Claim" means any fine, claim, action, lien, cause of action, investigation or notice by any Person alleging potential liability (including potential liability for Cleanup costs, governmental response costs, natural resources

damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (a) the presence, Release or threatened Release of any Hazardous Materials, or (b) circumstances forming the basis of any violation of any Environmental Law.

"Environmental Laws" means all Laws relating to pollution or protection of human health or the environment, including all Laws relating to Releases or threatened Releases of Hazardous Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, disposal, transport or handling of Hazardous Materials, all Laws relating to record keeping, notification, disclosure and reporting requirements respecting Hazardous Materials and all Laws relating to endangered or threatened species of fish, wildlife and plants and natural resources.

"Environmental Reports" shall have the meaning given to that term in Section 8.7(d).

"Excess Capital" shall have the meaning given to that term in Section 2.2.

"Excess Proceeds" shall have the meaning given to that term in Section 2.2.

"Excluded Assets" shall have the meaning given to that term in Section 8.3.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any mediation body or arbitral tribunal, including the STB.

"Hazardous Materials" shall mean all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as such by, or regulated as such under, any Environmental Law.

"Indebtedness" means, with respect to any Person, (i) any liability, contingent or otherwise, (a) for borrowed money, capitalized lease obligations, purchase money obligations or other obligations relating to the deferred purchase price of assets or property or (b) evidenced by a note, bond, debenture, letter of credit or similar instrument given in connection with the acquisition, other than in the ordinary course of business consistent with past practice, of any property, assets, securities or otherwise, including indebtedness created or arising under conditional sale or other title retention agreements (even though the rights and remedies of the seller or lender under the agreements in the event of default are limited to repossession or sale of the property), (ii) any liability of others described in the preceding clause (i) which such Person has guaranteed or which otherwise is its legal liability, (iii) all indebtedness referred to above secured by (or for which the holder of the indebtedness has an existing right, contingent or otherwise, to be secured by), any Lien upon the property of such Person, whether or not the obligations secured thereby have been assumed, and (iv) any amendment, renewal, extension or

refunding of any liability referred to in clauses (i), (ii) and (iii) above; provided, however, that Indebtedness does not include any trade payables of any Person incurred in the ordinary course of business consistent with past practice. The amount of Indebtedness of any Person at any date shall be the outstanding balance at the date of all unconditional obligations as described above and the maximum amount of any contingent obligations at the date.

"Indemnified Party" shall have the meaning given to that term in Section 12.4.

"Indemnifying Party" shall have the meaning given to that term in Section 12.4.

"Indentures" shall mean, collectively, the Indenture, dated as of September 27, 2000, among KCSR, KCS, certain Subsidiaries of KCS and The Bank of New York, as trustee, governing the terms of KCS' 9½% Senior Notes due 2008 and the Indenture, dated as of June 12, 2002, among KCSR, KCS, certain Subsidiaries of KCS and U.S. Bank National Association, as trustee, governing the terms of KCS' 7½% Senior Notes due 2009, as they may be amended from time to time.

"Issuance Date" shall have the meaning given to that term in Schedule 2.1(a).

"Jackson Assignment Agreement" shall have the meaning given to that term in Section 3.1(c).

"Jackson Flyover" shall mean a bridge to carry the Company's tracks over the real property and tracks of Canadian National Railway Company (or its Subsidiaries) located at Jackson, Mississippi which establishes a continuous line of rail between Meridian, Mississippi and Shreveport, Louisiana.

"KCS" shall have the meaning given to that term in the Recitals.

"KCSR Borrowing Capacity" shall mean, as of any determination date, the total amount of previously unborrowed funds that KCSR (or any other Subsidiary of KCS which is on such date a party to the Company Agreement) is permitted to borrow from the Company pursuant to a Note on such date without violating in any respect the KCS Credit Agreement, the Indentures or any other Contract evidencing more than \$100,000 of Indebtedness to which it is a party on such date; it being understood that, in no event shall the KCSR Borrowing Capacity, together with all funds previously borrowed pursuant to any Note (including any Note evidencing the borrowing of the Excess Proceeds contemplated by Section 4), exceed \$300,000,000.

"KCS Credit Agreement" shall mean the Credit Agreement dated as of March 30, 2004 among KCSR, KCS, certain subsidiaries of KCS and Lenders (as defined therein), as amended through the date hereof.

"KCS Credit Agreement Amendment No. 2" shall mean Amendment No. 2 to the Credit Agreement, dated as of September 30, 2005, among KCSR, KCS, the subsidiary guarantors listed on the signature page thereto, the Lender Parties (as defined therein) thereto and The Bank of Nova Scotia.

"KCS Interest" shall have the meaning given to that term in Section 3.1.

"KCSR Joint Use Agreement" shall have the meaning given to that term in the Recitals.

"KCS Line Assets" shall have the meaning given to that term in Section 10.10(a).

"KCS Membership Interests" shall have the meaning given to that term in Section 10.10(a)(i).

"KCSR" shall have the meaning given to that term in the Recitals.

"Knowledge" with respect to KCS shall mean the actual knowledge, after due inquiry into the matter in question, of any of the Persons listed on Schedule 1.1(a) hereto.

"Law" shall mean any U.S. federal, state or local or foreign statute, law, rule, regulation, ordinance, order, code, policy or rule of common law, now or hereafter in effect and, in each case, as amended, any binding judicial or administrative interpretation thereof by a Governmental Authority or otherwise, including any judicial or administrative order, consent, decree or judgment; provided that, each reference to "Law" in Sections 8 and 9 of this Agreement shall mean only a Law in effect as of the date of this Agreement.

"Lease" shall have the meaning given to that term in Section 8.4(b)(viii).

"Leased Personal Property" shall mean all personal property leased by KCS and its Affiliates which is included in the Assets.

"Leased Property" shall have the meaning given to that term in Section 8.14(b).

"Lien" shall mean any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, purchase option, right of first offer, right of first refusal, priority or other security agreement (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable Law of any jurisdiction to evidence any of the foregoing).

"Line" shall have the meaning given to that term in the Recitals.

"Line Assets" shall have the meaning given to that term in Section 10.10(a).

"Line FMV" shall have the meaning given to that term in Section 10.10(d)(i).

"Line Option" shall have the meaning given to that term in Section 10.10(a).

"Line Option Exercise Notice" shall have the meaning given to that term in Section 10.10(g).

"Line Option Notice" shall have the meaning given to that term in Section 10.10(a).

"Line Option Valuation Notice" shall have the meaning given to that term in Section 10.10(d).

"Material Adverse Effect" shall mean, with respect to any party, any change, circumstance, event or effect which, individually or when considered in conjunction with other changes, circumstances or effects, has had or would reasonably be likely to have a material adverse effect on (a) with respect to a Material Adverse Effect on KCS and KCSR, the Assets, taken as a whole, or the financial condition or results of operations of the business of the Company to be conducted with the Assets after the Closing, taken as a whole, or (b) any party, the ability of such party to consummate the transactions contemplated by this Agreement, the Ancillary Agreements or the Company Agreement or to perform its obligations hereunder or thereunder; provided, that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (x) any adverse change, event, development, or effect arising from or relating to (1) general business or economic conditions, including conditions related to the prospective business of the party and including changes in energy prices or availability, except to the extent that such conditions disproportionately affect such party's business relative to the effect of such factors on other Persons operating in such party's industry, (2) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, except to the extent that such conditions disproportionately affect such party's business relative to the effect of such factors on other Persons operating in such party's industry, (3) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (4) changes in United States generally accepted accounting principles, (5) changes in Law or (6) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, (y) any of the events, occurrences, or circumstances set forth in Schedule 1.1(b) and (z) any change, occurrence, event or effect, which shall have been cured without a Material Adverse Effect (excluding this clause (z)),

on the Assets, before the earlier of the Closing Date or the date on which this Agreement is terminated pursuant to Section 13.

"Material Contracts" shall have the meaning given to that term in Section 8.4(b).

"Membership Interest FMV" shall have the meaning given to that term in Section 10.10(d)(ii).

"MSR Jackson Trackage Rights" shall mean that certain trackage rights agreement, as supplemented and amended from time to time, dated March 26, 1986, between Midsouth Rail Corporation and Illinois Central Gulf Railroad Corporation, and the underlying right of movement, pursuant to which KCSR (as successor to Midsouth Rail Corporation) operates over an approximately four-tenths (0.4) of a mile section of track in Jackson, Mississippi that is controlled by Canadian National (as successor to Illinois Central Gulf Railroad Corporation).

"Notes" shall have the meaning given to that term in Section 4.

"Notices" shall have the meaning given to that term in Section 14.1.

"NS" shall have the meaning given to that term in the Recitals.

"NS Closing Cash Purchase Price" shall mean the NS Consideration payable by NS on the Closing Date as determined in accordance with Schedule 2.1(a).

"NS Consideration" shall have the meaning given to that term in Schedule 2.1(a).

"NS Indemnified Parties" shall have the meaning given to that term in Section 12.2(a).

"NS Interest" shall have the meaning given to that term in Section 2.1(a).

"NSR" shall mean Norfolk Southern Railway Company, a Virginia corporation and Subsidiary of NS.

"NSR Joint Use Agreement" shall have the meaning given to that term in the Recitals.

"Officer's Certificate" shall have the meaning given to that term in Section 2.1(b).

"Operating Agreement" shall have the meaning given to that term in the Recitals.

"Owned Property" shall have the meaning given to that term in Section 8.14(a).

4. **"Partner Financing"** shall have the meaning given to that term in Article

"Permitted Liens" shall mean collectively, (i) Liens for Taxes not yet due and payable or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been made; (ii) such imperfections of title, easements and other similar encumbrances, if any, as do not, individually or in the aggregate, interfere in any material respect with the use of any Owned Property as such Owned Property is used on the date of this Agreement; (iii) mechanics', materialmen's, workmen's, repairmen's, warehousemen's, carrier's and other similar Liens arising in the ordinary course of business consistent with past practice, all of which shall be released at or prior to the Closing; (iv) Liens arising under the Indentures; or (v) those Liens set forth on Schedule 1.1(c) hereto.

"Permits" shall have the meaning given to that term in Section 8.8(b).

"Person" shall mean an individual or a partnership, corporation, trust, association, limited liability company, Governmental Authority or other entity.

"Preferred Return" shall have the meaning given to that term in the Company Agreement.

"Preferred Return Amount" shall have the meaning given to that term in the Company Agreement.

"Property" shall have the meaning given to that term in Section 8.14(c).

"Release" means any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, or leaching into the environment (including ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

"Required Governmental Consents" shall have the meaning given to that term in Section 10.5.

"Restricted Subsidiary" shall have the meaning given to that term in the Indentures.

"Retained Interests" shall have the meaning given to that term in Section 3.1(d).

"Rules" shall have the meaning given to that term in Section 14.13.

"Standstill Period" shall have the meaning given to that term in Section 10.8.

"STB" shall mean the Surface Transportation Board or any successor entity thereto.

"Subsidiary" of any Person shall mean any entity of which such Person owns, directly or indirectly, securities or other ownership interests having the power to elect a majority of the board of directors or other persons performing similar functions, or otherwise having the power to direct, manage or control the conduct of business of such entity.

"Tax Return" shall mean any report, return, document, declaration or other information or filing (including any amendment thereto) with respect to Taxes required by Law to be supplied to any Governmental Authority (foreign or domestic) or to be collected or maintained, including information returns, any documents accompanying payments of estimated Taxes, or requests for the extension of time in which to file any such report, return, document, declaration or other information or filing.

"Taxes" shall mean all federal, state, local, foreign and other taxes, customs, duties, fees, levies, assessments or charges of any kind whatsoever, including all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, real or personal property, business, documentary, registration, filing, recordation, unemployment, worker's compensation, commercial rent, premium, windfall profits, deemed profits, lease, capital, production, corporation, value added, bulk sale or other taxes, customs, duties, fees, levies, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any Governmental Authority (domestic or foreign) regardless of whether disputed or whether related to the filing of a Tax Return (or the failure to file a Tax Return).

"Terminal" shall have the meaning given to that term in Section 8.14(a).

"Third Party Claim" shall have the meaning given to that term in Section 12.5(a).

"Third Party Leases" shall have the meaning given to that term in Section 8.4(b)(ix).

"Title Company" shall have the meaning given to that term in Section 10.6(b).

"Transfer" shall mean sell, assign, transfer, pledge, grant a security interest in, or otherwise dispose of, with or without consideration, and **"Transferred"** shall have a correlative meaning.

"Vicksburg Assignment Agreement" shall have the meaning given to that term in Section 3.1(b).

"Vicksburg Bridge Lease" shall mean that certain lease, as supplemented, amended and/or replaced from time to time, dated February 11, 1928 between Vicksburg Bridge and Terminal Company and The Yazoo and Mississippi Valley Railroad Company, pursuant to which KCSR leases that certain railroad bridge over the Mississippi River at Vicksburg, MS.

1.2 Construction of Certain Terms and Phrases. Unless the context otherwise requires, (a) words of any gender include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (d) the terms "Article" or "Section" refers to the specified Article or Section of this Agreement; (e) the terms "and" and "or" include the term "and/or" when the context is appropriate; (f) the terms "include" or "including" also include the words "without limitation" when the context is appropriate; and (g) the phrases "ordinary course of business" and "ordinary course of business consistent with past practice" refer to the business and practice of the Person specified or, in the case of the operation of the Line, the business and practice of KCS, KCSR and their respective Subsidiaries with respect to the Assets. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. All accounting terms used herein and not expressly defined herein shall have the meanings given to them under generally accepted accounting principles, as in effect in the United States of America. Whenever this Agreement refers to an Exhibit or Schedule attached hereto, the Exhibit or Schedule shall be deemed to be incorporated by reference.

2. Purchase and Sale of Membership Interest.

2.1 Purchase and Sale of Membership Interest.

(a) KCS shall prepare and deliver to NS at least ten (10) Business Days prior to the Closing Date a certificate duly executed by the chief financial officer of KCS certifying as of such date the Capital Contribution Amount (each such certificate, an "Officer's Certificate"). Subject to the terms and conditions of this Agreement, at the Closing, KCS and NS shall cause the Company to issue and sell to AGS, and NS shall cause AGS to purchase from the Company, up to a 30% membership interest in the Company (as adjusted pursuant to Section 2.1(b), the "NS Interest") in exchange for cash consideration, in each case, as determined in accordance with Schedule 2.1(a).

(b) Within ten (10) Business Days prior to each six-month anniversary of the Closing Date (each, an "Anniversary Date") until the NS Interest represents a 30% membership interest in the Company, KCS shall prepare and deliver to NS an Officer's Certificate. Subject to the terms and conditions of this Agreement, on each Anniversary Date, KCS and NS shall cause the Company to issue and sell to AGS, and NS shall cause AGS to purchase from the Company, in exchange for cash consideration determined in accordance with Schedule 2.1(a), an additional membership interest in the Company such that, upon the issuance thereof, AGS and KCS will hold the

respective percentage membership interests in the Company, in each case, determined in accordance with Schedule 2.1(a).

2.2 Use of Proceeds. KCS and NS shall cause the Company to use \$260,000,000 of the proceeds from the sale of the NS Interest plus any interest earned thereon from time to time (the "Capital Proceeds") for the capital expenditures anticipated to be made in accordance with the Company Agreement and the Budgets (including any Rollover Budgets) and Business Plans (as each such term is defined in the Company Agreement) for the Company contemplated thereby. KCS and NS shall cause at Closing up to \$40,000,000 of the proceeds from the sale of the NS Interest to be paid to reimburse KCS for capital expenditures made by KCS on the Line within the two-year period ending on the Closing Date (none of which shall have been made in anticipation of this Agreement) as presented on a schedule delivered to NS prior to the Closing Date, which schedule shall be final and binding on NS if it accurately sets forth expenditures made in accordance with the principles expressed in this sentence (the difference between \$40,000,000 and such reimbursement shall be the "Excess Proceeds"), and (b) the Excess Proceeds and any portion of the Capital Proceeds not allocated at such time for capital expenditures in accordance with the then current Budget or any Rollover Budget, as the case may be, and Business Plan (in the aggregate, the "Excess Capital") to be made available by the Company to provide the Partner Financing pursuant to Article 4 below. KCS and NS shall cause the Company to pay KCS a Preferred Return Amount on and, at KCS' election, a Preferred Return of, the Excess Proceeds, as contemplated in the Company Agreement.

3. Contribution of Assets and Assumption of Liabilities.

3.1 Contribution of Assets.

(a) Subject to the terms and conditions of this Agreement, at the Closing, KCS and KCSR shall, and shall cause their respective Subsidiaries, as applicable, to, transfer, convey, assign and deliver to the Company, all of their respective right, title and interest in the Assets, free and clear of all Liens other than Permitted Liens, and in exchange for the Assets, KCS and NS shall cause the Company to issue to KCS a 71.4286% membership interest in the Company (as adjusted pursuant to Section 2.1(b) and together with the Preferred Return, the "KCS Interest"). The parties acknowledge that KCS' initial capital account in the Company will be as set forth in Exhibit 2.2 to the Company Agreement and that the Company shall be a Restricted Subsidiary prior to the transfer of the Assets to the Company and shall remain a Restricted Subsidiary so long as the Indentures remain in effect.

(b) Prior to the Closing, KCSR shall use its commercially reasonable efforts to obtain the consent of the Warren County Bridge Commission to an assignment of the Vicksburg Bridge Lease to the Company. Should KCSR obtain said consent prior to the Closing, at the Closing, KCSR shall assign the Vicksburg Bridge Lease to the Company pursuant to an assignment agreement substantially in the form attached hereto as Exhibit K (the "Vicksburg Assignment Agreement"). Should KCSR fail to obtain said consent prior to the Closing, at the Closing, KCSR shall sublease, at the

same rate as paid by KCSR, the Vicksburg Bridge Lease to the Company pursuant to a customary sublease agreement, and thereafter shall continue to use its commercially reasonable efforts to obtain the consent of the Warren County Bridge Commission to an assignment of the Vicksburg Bridge Lease to the Company and, upon receipt of such consent, shall assign the Vicksburg Bridge Lease to the Company pursuant to an assignment agreement substantially in the form of the Vicksburg Assignment Agreement. Notwithstanding anything herein to the contrary, for purposes of this Agreement, the Vicksburg Assignment Agreement shall only be considered an Ancillary Agreement if the consent of the Warren County Bridge Commission to an assignment of the Vicksburg Bridge Lease to the Company is obtained by KCSR prior to Closing. Any material amendment, and any termination or renewal, of the Vicksburg Bridge Lease prior to any assignment pursuant to the Vicksburg Assignment Agreement shall be made only with the written consent of NS, provided that the consent of NS shall not be required for KCS to resolve the current dispute with the Warren County Bridge Commission regarding the Vicksburg Bridge Lease described in Section 8.4(a)(i) of the Disclosure Schedule if such resolution does not prevent or materially impair the assignment to the Company of such lease as contemplated by this Section 3.1(b) or materially, adversely affect the access to or enjoyment of the Vicksburg Bridge as contemplated by the NSR Joint Use Agreement.

(c) Prior to the Closing, KCSR shall use its commercially reasonable efforts to obtain the consent of Canadian National to an assignment of the MSR Jackson Trackage Rights to the Company. KCS and NS shall seek an order of the STB permitting said assignment, should such consent be obtained, or overriding any provision of said MSR Jackson Trackage Rights preventing such assignment without the consent of Canadian National, should such consent not be obtained. Any assignment by KCSR of the MSR Jackson Trackage Rights to the Company shall be pursuant to an assignment agreement substantially in the form attached hereto as Exhibit L (the "Jackson Assignment Agreement"). Following the Closing Date and until the earlier of assignment to the Company of the MSR Jackson Trackage Rights or commencement of railroad operations over the Jackson Flyover, as provided in Section 5.13 of the Company Agreement, KCSR shall provide the Company and NSR with haulage rights over the portion of the Line subject to the MSR Jackson Trackage Rights pursuant to an NSR – KCSR Haulage Agreement substantially in the form attached as Exhibit M hereto (the "NSR – KCSR Haulage Agreement").

(d) Schedule 3.1(d) sets forth certain interests of KCS and its Subsidiaries (the "Retained Interests") in the Assets to be conveyed to the Company pursuant to Section 3.1(a) which interests shall be retained following the Closing by the party conveying the relevant Assets to the Company (the "Conveying Party"). The Retained Interests may be exercised only at the sole risk and expense of the Conveying Party, in a manner that shall not unreasonably interfere with the operation of the Assets as contemplated by the Operating Agreement, the NSR Joint Use Agreement and the KCSR Joint Use Agreement, and shall be subject to execution of a reasonable access agreement between the relevant Conveying Party and the Company. KCS shall cause any Conveying Party seeking to exercise Retained Interests to provide reasonable advance notice to the Company before said party may enter any relevant Assets consisting of Property for purposes of exercising a Retained Interest, and said party's actions on such

Property shall at all times be subject to the reasonable direction and control of the operating officer in charge of the Property and to applicable provisions of the Company's safety and operating rules.

(e) The parties hereto acknowledge that some of the Owned Properties include adjoining land, buildings, structures and other improvements that are not included in the Assets and that, accordingly, must be subdivided into separate lots. Accordingly, as to each such Owned Property, KCS shall promptly, and at KCS' sole expense, take all steps necessary (including, without limitation, recording all required deeds, performing all required surveys and obtaining all necessary planning and zoning approvals) to subdivide and obtain a separate tax lot/parcel for the portion of each such Owned Property that is included in the Assets, distinct from any adjoining land, buildings, structures or other improvements that are not included in the Assets.

3.2 Transfer of Liabilities.

(a) Subject to the terms and conditions of this Agreement, at the Closing, KCS and NS shall cause the Company to assume the liabilities and obligations of KCS, KCSR and their respective Affiliates relating to the operation of the Assets set forth on Schedule 3.2 hereto (the "Assumed Liabilities"). Except as and to the extent otherwise expressly provided in this Agreement, the Company has not agreed to pay, shall not be required to assume and shall not have any obligation in respect of, any liability or obligation, direct or indirect, absolute or contingent, of KCS, KCSR, NS or any other Person, the assumption of which by the Company is not expressly provided for in this Agreement.

(b) Notwithstanding anything in Section 3.2(a) to the contrary, any assignment agreement or sublease entered into pursuant to Section 3.1(b) shall provide that all liabilities and obligations under the Vicksburg Bridge Lease relating to or arising from events or omissions occurring prior to the Closing shall be the liabilities and obligations of KCSR, and any liabilities and obligations under the Vicksburg Bridge Lease relating to or arising from events or omissions occurring after the Closing shall be the liabilities and obligations of the Company, except to the extent that any such liabilities or obligations arise from the exercise by the Conveying Parties of the Retained Interests.

4. Partner Financing. Promptly following the Closing, KCS and NS shall cause the Company to loan to KCS an amount not to exceed the Excess Proceeds and thereafter to KCS and NS from time to time upon such party's request up to an amount equal to the Excess Capital less the aggregate amount of any outstanding loans made pursuant to this Section 4 (such loans, the "Partner Financing") to be evidenced by one or more notes substantially in the form attached hereto as Exhibit N (collectively, the "Notes"). All such Partner Financing shall first be made available to KCS and, if KCS elects not to borrow such amounts, subsequently to NS and shall in each case be structured so as to not violate, in the reasonable opinion of counsel to KCS, any provision of the Indentures.

5. Intentionally Omitted

6. The Closing.

6.1 The Closing. The Closing shall take place at the offices of Sonnenschein Nath & Rosenthal LLP, 1221 Avenue of the Americas, 25th Floor, New York, New York 10020 at 10:00 A.M., local time on a date to be agreed to by NS and KCS, which date shall be no later than three Business Days following the date on which all of the conditions set forth in Article 11 shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions), or at such other time and place as KCS and NS mutually agree upon in writing. The date of the Closing is referred to in this Agreement as the "Closing Date."

7. Deliveries at the Closing.

7.1 Deliveries at the Closing. At the Closing:

(a) NS shall, or shall cause AGS and its other Subsidiaries to, deliver (i) the NS Closing Cash Purchase Price by wire transfer of immediately available funds to the account(s) designated by KCS and NS on behalf of the Company in writing at least one Business Day prior to the Closing Date; (ii) duly executed counterpart originals of each Ancillary Agreement to which NS, AGS or any of their respective Subsidiaries is a party to KCS or the Company, as applicable; (iii) a duly executed counterpart original of the Company Agreement to KCS; (iv) the certificate required to be delivered to KCS pursuant to Section 11.3(c) of this Agreement; (v) the opinions required pursuant to Section 11.3(e) of the Agreement to KCS; and (vi) such documents and instruments as KCS may reasonably request to evidence the satisfaction of all conditions precedent set forth in Article 11 of this Agreement or which are required to be delivered by NS at or prior to the Closing Date pursuant to this Agreement.

(b) KCS and KCSR shall, or shall cause their respective Subsidiaries to, deliver: (i) a duly executed counterpart original of the Company Agreement to NS; (ii) duly executed counterpart originals of each Ancillary Agreement to which KCS, KCSR or their respective Subsidiaries is a party to NS or the Company, as applicable; (iii) the certificate required to be delivered to NS pursuant to Section 11.2(c) of this Agreement; (iv) the consents required, if any, pursuant to Section 11.2(d) of this Agreement to NS; (v) quitclaim deeds with respect to each of the Owned Properties to the Company; (vi) the consent to assignment or sublease, as the case may be, provided for in Section 3.1(b) of this Agreement to the Company; (vii) all such other deeds, endorsements, assignments and other instruments as are necessary to transfer to the Company KCS' and its Subsidiaries' interest in the Assets in accordance with the terms hereof; (viii) the opinions required pursuant to Section 11.2(f) of the Agreement to NS; and (ix) such documents and instruments to NS as NS may reasonably request to evidence the satisfaction of all conditions precedent set forth in Article 11 of this Agreement or which are required to be delivered by KCS at or prior to the Closing Date pursuant to this Agreement.

(c) KCS and NS shall cause the Company to deliver (i) duly executed counterpart originals of each Ancillary Agreement to which the Company is a party to NS or KCS, as applicable and (ii) certificates representing the NS Initial Interest and the KCS Interest to AGS and KCS, respectively.

7.2 Further Assurances. At and following the Closing, each party to this Agreement shall deliver or cause to be delivered, as appropriate, such further certificates, consents and other documents as may be necessary to carry out the terms of this Agreement.

8. Representations and Warranties of KCS and KCSR. Except as set forth in the disclosure schedule (the "Disclosure Schedule") prepared by KCS and delivered to NS concurrently with the execution of this Agreement (in each case making reference to the particular subsection of this Agreement to which the relevant disclosure or exception is being made), KCS and KCSR jointly represent and warrant to NS as of the date hereof and, to the extent provided in Section 11.2(a), as of the Closing, as follows:

8.1 Organization, Standing and Power. Each of KCS and KCSR is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation and has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted. Each of KCS and KCSR is duly qualified or licensed as a foreign entity and is in good standing in each jurisdiction where the nature of its properties owned or held under lease or the nature of the business conducted by it make such qualification necessary, except for any failure to be so qualified, licensed and in good standing as would not, individually or in the aggregate, have a Material Adverse Effect on KCS or KCSR.

8.2 Authority; Enforceability; Noncontravention.

(a) Each of KCS, KCSR and their respective Subsidiaries, as the case may be, has full power and authority to enter into, execute and deliver this Agreement, each of the Ancillary Agreements and the Company Agreement to which it is a party and perform its obligations hereunder and thereunder. This Agreement has been, and each of the Ancillary Agreements and the Company Agreement will be, duly authorized by all necessary action of each of KCS, KCSR and their respective Subsidiaries, as the case may be. This Agreement has been, and each of the Ancillary Agreements and the Company Agreement will be, duly executed and delivered by each of KCS, KCSR and their respective Subsidiaries, as the case may be, and, assuming their due execution and delivery by the other party or parties hereto or thereto, constitutes or will constitute a valid and legally binding obligation of each of KCS, KCSR and their respective Subsidiaries, as the case may be, respectively, enforceable against them in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar Laws relating to or affecting creditors' rights generally, and to the availability of equitable remedies.

(b) The execution and delivery of this Agreement, each of the Ancillary Agreements and the Company Agreement by each of KCS, KCSR and their respective Subsidiaries, as the case may be, does not and will not, and compliance by KCS and KCSR, as applicable, with the provisions of this Agreement, each of the Ancillary Agreements and the Company Agreement will not, (i) conflict with or result in a breach or default under the Charter Documents of KCS, KCSR or their respective Subsidiaries; (ii) constitute or result in a material breach or violation of, or a material default under, or the acceleration of (with or without the giving of notice, the lapse of time or both) any obligation pursuant to, any provision of any Material Contract to which KCS, KCSR or their respective Subsidiaries is a party or otherwise bound, or to which any property or asset of KCS, KCSR or their respective Subsidiaries is subject; (iii) subject to the filings with Governmental Authorities and other matters referred to in Section 8.2(c) below, violate any Law applicable to KCS, KCSR or their respective Subsidiaries; (iv) result in the creation or imposition of any material Lien on the Assets; or (v) constitute or result in any material change in the rights or obligations of any party under any of the Material Contracts.

(c) Except (i) for the applicable requirements of the STB and (ii) as set forth on Section 8.2(c) of the Disclosure Schedule, there are no approvals, authorizations, consents, orders or other actions of, or filings with, any Person, including any Governmental Authority, that are required to be obtained or made by KCS, KCSR, or their respective Subsidiaries or the Company in connection with the execution of, and the consummation of the transactions contemplated under, this Agreement, the Ancillary Agreements or the Company Agreement, except in each case as will not, individually or in the aggregate, impair in any material respect the performance by KCS, KCSR or their respective Subsidiaries of their respective obligations hereunder.

8.3 Assets. The Assets constitute all properties, assets and rights (real, personal and mixed, tangible and intangible) currently utilized in the operation of the Line, other than operating equipment such as locomotives, rail cars and maintenance vehicles, and other than maintenance of way machinery and tools (the "Excluded Assets") and, except for the Excluded Assets, the Assets are sufficient to operate the Line (i) in substantially the same manner as operated by KCS and its Affiliates prior to the Closing and (ii) as contemplated by the NSR Joint Use Agreement, the KCSR Joint Use Agreement, and the Operating Agreement. KCS or one of its wholly owned Subsidiaries has, and upon consummation of the transactions contemplated hereby the Company will acquire, good and marketable title to all of the non-real estate owned Assets free and clear of all Liens except for Permitted Liens.

8.4 Material Contracts.

(a) (i) True and correct copies of each Material Contract, including all amendments and modifications thereof and waivers thereunder, have been made available to NS and its counsel; (ii) except as set forth in Section 8.4(a)(ii) of the Disclosure Schedule, each Material Contract is in full force and effect, and is the valid and binding obligation of KCS, KCSR or their respective Subsidiaries and, to the Knowledge of KCS, each other party to the Material Contract, and upon consummation

of the transactions contemplated hereby each Material Contract will remain in full force and effect, and will be the valid and binding obligation of the Company and, to the Knowledge of KCS, each other party to the Material Contract; (iii) except as set forth in Section 8.4(a)(iii) of the Disclosure Schedule, KCS, KCSR or their respective Subsidiaries has performed all of its respective material obligations required to be performed by it to date under each Material Contract, and is not in material breach of or material default under any Material Contract, and no event has occurred or circumstance exists which, with notice or lapse of time or both, would constitute a material breach of or material default by KCS, KCSR or their respective Subsidiaries under any Material Contract; (iv) except as set forth in Section 8.4(a)(iv) of the Disclosure Schedule, to the Knowledge of KCS, each party to each Material Contract other than KCS, KCSR or their respective Subsidiaries has performed all of the material obligations required to be performed by it to date under the Material Contract, and is not in material breach of or in material default under the Material Contract, and no event has occurred or circumstance exists which, with notice or lapse of time or both, would constitute a material breach of or material default by such other party under any Material Contract; and (v) no Material Contract will be affected adversely in any material way by the execution, delivery or performance of this Agreement, the Ancillary Agreements or the Company Agreement, each in accordance with its terms, and no Material Contract contains any change in control provision, restriction on assignment or other terms that will become applicable or inapplicable as a result of the consummation of the transactions contemplated by this Agreement, the Ancillary Agreements or the Company Agreement.

(b) For purposes of this Agreement, "Material Contracts" shall mean the following Contracts of KCS, KCSR or their respective Subsidiaries, each of which contracts is listed in Section 8.4(b) of the Disclosure Schedule, (X) relating to or affecting in any material way the Assets or the Assumed Liabilities or (Y) to be assigned to the Company pursuant to the terms hereof which are in effect on the date hereof:

(i) Each Contract which is to be performed in whole or in part at or after the date of this Agreement and which (1) cannot be canceled upon 60 days' notice without payment or penalty and involves aggregate annual payments of more than \$100,000; (2) involves material nonmonetary obligations to be performed later than one year from the date hereof; (3) otherwise materially affects the Assets or the operation of the Line; or (4) was not entered into in the ordinary course of business consistent with past practice;

(ii) Each Contract providing for the indemnification of any third party;

(iii) Each Contract providing for any future payments that are conditioned, in whole or in part, on any Transfer or assignment of any of the Assets;

(iv) Each Contract for the Transfer of any of the Assets or for the grant of any preferential right to purchase any of the Assets or which requires the consent of any third party to the Transfer of any of the Assets;

(v) Each Contract evidencing more than \$100,000 of Indebtedness of KCS or its Subsidiaries (including the Indentures);

(vi) Each Contract involving aggregate consideration in excess of \$100,000 (1) under which the benefits cannot be retained or there will be a default as a result of the consummation of the transactions contemplated by this Agreement without the written consent or approval of other parties or (2) which would require the making of any material payment, other than payments as contemplated by this Agreement, to any employee of KCS or to any other Person as a result of the consummation of the transactions contemplated herein;

(vii) Each Contract pursuant to which any material Leased Personal Property is used or leased in the operation of the Line;

(viii) Each lease, sublease or other occupancy agreement pursuant to which KCS or any of its Subsidiaries leases, subleases or otherwise occupies any real property included or related to the Line (such leases, subleases and other occupancy agreements, together with any amendments, modifications and other supplements thereto, each a "Lease" and collectively, the "Leases");

(ix) Each lease, sublease or other occupancy agreement pursuant to which KCS or any of its Subsidiaries leases or subleases any Property to a third party or one of its Affiliates (each such lease, sublease and other occupancy agreement, together with any amendments, modifications and other supplements thereto, a "Third Party Lease" and collectively, the "Third Party Leases");

(x) Each Contract involving a guarantee of any Indebtedness or imposing a Lien on any of the Assets which serve as collateral for Indebtedness; and

(xi) Each Contract granting haulage, trackage or other access or operating rights with respect to the Line.

8.5 Absence of Certain Changes and Events. Except as set forth in Section 8.5 of the Disclosure Schedule, since December 31, 2004 and prior to the date hereof, except for this Agreement and changes contemplated by this Agreement, (i) neither KCS nor any of its Subsidiaries has taken any action which would be in violation of Section 10.1 had such action been taken after the date hereof and (ii) there has not been any change or development or combination of changes or developments which, individually or in the aggregate, has resulted in, or is reasonably likely to result in, a Material Adverse Effect on KCS or KCSR.

8.6 Litigation and Proceedings. Except as set forth in Section 8.6 of the Disclosure Schedule, there is no pending or, to the Knowledge of KCS, threatened Action to which KCS, KCSR or any of their respective Subsidiaries is a party involving the Assets or the operation of the Line in any material way, and neither KCS nor any of its Subsidiaries is subject to any material judgment, order, writ, injunction, decree or regulatory directive or agreement with respect to the Assets or the operation of the Line.

None of the Assets is subject to any judgment, order or decree entered in any Action which would be reasonably likely to have a Material Adverse Effect on KCS or KCSR.

8.7 Environmental Matters.

(a) KCS, KCSR and their respective Subsidiaries, with respect to the Properties and the operation of the Line, are in compliance in all material respects with all applicable Environmental Laws (which compliance includes, but is not limited to, the possession by KCS, KCSR and their respective Subsidiaries of all material permits and other governmental authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof). None of KCS, KCSR or any of their respective Subsidiaries has received in writing any notice, action, inquiry, investigation or claim alleging that KCS, KCSR or any of their respective Subsidiaries, with respect to the Properties or the operation of the Line, are not in such compliance.

(b) There is no Environmental Claim relating to the Properties or the operation of the Line pending or, to the Knowledge of KCS, threatened against KCS, KCSR or any of their respective Subsidiaries or, to the Knowledge of KCS, against any Person whose liability for any such Environmental Claim KCS, KCSR or any of their respective Subsidiaries has retained or assumed either contractually or by operation of Law which would, individually or in the aggregate, be material.

(c) To the Knowledge of KCS, no event has occurred and no condition exists including, without limitation, the Release, threatened Release or presence of any Hazardous Material, which could reasonably be expected to form the basis of any Environmental Claim relating to the Properties or the operation of the Line which would, individually or in the aggregate, be material.

(d) KCS has delivered or otherwise made available for inspection to NS true and correct copies and results of any reports, studies, analyses, tests or other monitoring reports or related substantive correspondence with any Governmental Authority possessed or initiated by or on behalf of KCS, KCSR or any of their respective Subsidiaries pertaining to Hazardous Materials in, on, beneath or adjacent to the Properties, or regarding KCS' and its Subsidiaries' compliance with applicable Environmental Laws with respect to the Properties and the operation of the Line (any of the foregoing, "Environmental Reports").

8.8 Compliance With Laws and Other Matters. KCS, KCSR and each of their respective Subsidiaries:

(a) is, and since January 1, 2003 has been, in compliance in all material respects, in the operation of the Line, with all applicable Laws (it being understood that, solely for purposes of this Section 8.8, the term "Laws" shall not include any Environmental Laws) and the regulations, ordinances, rules, judgments, orders or decrees of any Governmental Authority applicable thereto or to the employees involved in the operation of the Line;

(b) has, and upon the consummation of the transactions contemplated hereby the Company will have, all material permits, licenses, franchises, certificates of authority, orders, and approvals of, and has made all material filings, applications, and registrations with, Governmental Authorities that are required in order to permit it to operate the Line (the "Permits"); and since January 1, 2003 has been, in compliance in all material respects with the terms of the Permits; and all the Permits are, and will be, in full force and effect and a complete and accurate list of the Permits is set forth in Section 8.8(b) of the Disclosure Schedule;

(c) has, since January 1, 2003, received no notification or communication from any Governmental Authority (i) asserting that it is not in compliance with any Laws (or indicating, in the absence of any such assertion, a possible investigation or inquiry with respect to any of the foregoing) with respect to the operation of the Line or (ii) threatening to suspend, materially modify or revoke any Permit; and

(d) is not a party to or subject to any material order, decree, agreement, memorandum of understanding or similar arrangement with, or a commitment letter, supervisory letter or similar submission to, any Governmental Authority with respect to the Assets or the operation of the Line, and none of KCS, KCSR or any of their respective Subsidiaries has been advised by any such Governmental Authority that such Governmental Authority is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such material order, decree, agreement, memorandum of understanding, commitment letter, supervisory letter or similar submission.

8.9 Labor Relations. Except as set forth in Section 8.9 of the Disclosure Schedule:

(a) There is no strike, lockout, slowdown or stoppage pending or, to the Knowledge of KCS, threatened against or directly affecting the operation of the Line.

(b) Neither KCS nor any of its Subsidiaries is delinquent in payments in any material respect: (i) to any of its employees involved in the operation of the Line for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by them, (ii) to any of its employees involved in the operation of the Line for amounts required to be reimbursed to such employees or (iii) to any benefit plans with respect to amounts owed on behalf of any of its employees involved in the operation of the Line.

(c) There is no unfair labor practice, charge or complaint against KCS, KCSR or their respective Subsidiaries with respect to the operation of the Line, pending or, to the knowledge of KCS, threatened, before any Governmental Authority; and there is no grievance that would be reasonably likely to have a Material Adverse Effect on KCS or KCSR nor any arbitration proceeding arising out of or under any collective bargaining agreement pending against KCS, KCSR or their respective Subsidiaries with respect to the operation of the Line.

(d) Each of KCS and any of its Subsidiaries who are or have been (i) required to comply with Executive Order 11246 or any other requirements applicable to a "contractor" or "subcontractor" (as defined by Executive Order 11246) or (ii) required to maintain an affirmative action plan have complied with such requirements in all material respects.

8.10 Taxes. (a) All Tax Returns required to be filed by KCS, KCSR or any of their respective Subsidiaries with respect to the Assets and the operation of the Line have been filed on a timely basis and all such returns are true, complete, and correct in all material respects, (b) all Taxes (whether or not shown on any Tax Return) that are due or claimed to be due from KCS, KCSR or any of their respective Subsidiaries with respect to the Assets and the operation of the Line have been paid, (c) no notice has been received of any deficiencies for Taxes claimed, proposed or assessed by any Government Authority with respect to the Assets or the operation of the Line for which KCS, KCSR or any of their respective Subsidiaries may be liable, (d) there are no pending, current or proposed audits, examinations, suits, proceedings, investigations, claims or administrative proceedings for or relating to any liability in respect of any Taxes with respect to the Assets or the operation of the Line for which KCS, KCSR or any of their respective Subsidiaries may be liable, (e) each of KCS, KCSR and their respective Subsidiaries has withheld and paid to the relevant Governmental Authority all Taxes required to have been withheld and paid in accordance with applicable Law with respect to the Assets and the operation of the Line, including in connection with any amounts paid or owing to any employee, independent contractor, creditor, equity holder or other Person, (f) there is, to the Knowledge of KCS, no outstanding material claim by any Governmental Authority in a jurisdiction where KCS, KCSR or any of their respective Subsidiaries does not file Tax Returns that KCS, KCSR or any of such Subsidiaries may be subject to Tax in such jurisdiction with respect to the Assets or and the operation of the Line, (g) there are no Liens on any of the Assets that arose in connection with any failure (or alleged failure) to pay any Tax, and (h) none of KCS, KCSR or any of their respective Subsidiaries with respect to the Assets or the operation of the Line will be required to include any item of income in, or exclude any item of deduction from, income for any Tax period (or portion thereof) ending after the Closing Date as a result of any (1) change in method of accounting for a Tax period ending on or prior to the Closing Date, (2) agreement with a Governmental Authority executed on or prior to the Closing Date, (3) deferred gains, (4) installment sale or open transaction disposition made on or prior to the Closing Date, or (5) prepaid amount received on or prior to the Closing Date, in each case under this Section 8.10(h), to the extent that the Tax liability of the Company or any Member (as defined in the Company Agreement) could be materially affected.

8.11 Insurance. The Assets are insured with reputable insurers and Section 8.11 of the Disclosure Schedule contains a true and correct list of such insurance policies maintained by KCS, copies of which have been made available to NS. With respect to all insurance policies that are individually or in the aggregate material to the Assets and the operation of the Line: (i) such policies are in full force and effect on the date hereof and KCS, KCSR and their respective Subsidiaries shall use their commercially reasonable efforts to continue such policies in full force and effect through the Closing Date, (ii) all premiums currently payable or previously due and payable with

respect to all periods up to and including the Closing Date have been paid to the extent such premiums are due and payable on or prior to the date hereof and, with respect to premiums not due or payable at or prior to the date hereof, all premiums due and payable prior to the Closing Date, will have been paid prior to the Closing Date and (iii) no notice of cancellation or termination has been received with respect to any such policy.

8.12 Books and Records. The books and records of KCS, KCSR and their respective Subsidiaries relating to the Assets and the operation of the Line have been fully, properly and accurately maintained in all material respects.

8.13 Transactions with Affiliates. With respect to the Assets and the operation of the Line, there are no outstanding amounts payable to or receivable from, or advances by KCS, KCSR or any of their respective Subsidiaries to, and none of KCS, KCSR or any of their respective Subsidiaries is otherwise a creditor or debtor to, any member or stockholder, director, employee or Affiliate of KCS, KCSR or any of their respective Subsidiaries. With respect to the Assets and the operation of the Line, neither KCS, KCSR nor any Subsidiary of KCS nor KCSR is a party to any transaction or agreement with any Affiliate, member or stockholder, director or executive officer of KCS, KCSR or any of their respective Subsidiaries or any material transaction or agreement with any employee other than executive officers.

8.14 Real Property.

(a) Section 8.14(a) of the Disclosure Schedule sets forth a true, correct and complete list of each parcel of real property owned by KCS, KCSR or their respective Subsidiaries included in the Assets (each such parcel and, for solely the purposes of this Section 8.14, the Dallas Intermodal Terminal described on Annex C hereto (the "Terminal"), individually, an "Owned Property" and collectively, the "Owned Properties") showing the common address, or other means of identification, and record title holder thereof and, to the Knowledge of KCS, all Liens thereon. Each of KCS, KCSR and their respective Subsidiaries, as applicable, owns, and upon the consummation of the transactions contemplated hereby will transfer to the Company all of their respective rights, titles and interests in and to the Owned Properties and to all buildings, structures and other improvements thereon, free and clear of all Liens, except for Permitted Liens, and subject to the Retained Interests, sufficient for the operation of the Line in the ordinary course of business (i) in substantially the same manner as operated by KCS and its Affiliates prior to the Closing and (ii) as contemplated by the NSR Joint Use Agreement, the KCSR Joint Use Agreement, and the Operating Agreement.

(b) Section 8.14(b) of the Disclosure Schedule sets forth the common address of each parcel of real property leased or subleased by KCS, KCSR or their applicable Subsidiary pursuant to each Lease (each a "Leased Property" and collectively, the "Leased Properties"). True, correct and complete copies of all work letters, side agreements, consents, subordination agreements, guarantees and other similar arrangements or agreements with respect to each Lease and to which KCS or any of its Subsidiaries is a party (or that are otherwise in the possession of KCS, KCSR or their respective Subsidiaries) has heretofore been made available to NS and its counsel. KCS

(either directly or through KCSR or another Subsidiary) holds, and after the consummation of the transactions contemplated hereby the Company will hold, a valid and existing leasehold or subleasehold interest, as applicable, in each Leased Property pursuant to the applicable Lease, free and clear of all Liens, other than Permitted Liens, and subject to the Retained Interests. There are no oral agreements in effect as to any Lease to which KCS or any of its Subsidiaries is a party. The terms of the Leases have not been modified in any respect, except to the extent that such modifications are set forth in the documents previously delivered or made available to NS and its counsel, and none of KCS, KCSR or any of their respective Subsidiaries is in negotiations with any landlord to cancel or terminate any Lease prior to the stated maturity date of such Lease. Except for Permitted Liens, none of KCS, KCSR or their applicable Subsidiaries has assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered its leasehold interest in any Lease. Neither KCS nor any Subsidiary has received a notice of default or termination with respect to any Lease. No material damage or destruction (i.e., damage or destruction that would permit either party to the applicable Lease to terminate such Lease or cause the abatement of rent thereunder) has occurred with respect to any of the Leased Properties which has not been repaired prior to the date hereof.

(c) The Owned Properties and the Leased Properties (each a "Property" and collectively, the "Properties") constitute all of the real estate, other than rail yards and similar facilities, within which KCS and its Subsidiaries operate the Line. The Properties are in compliance with all requirements of applicable Law in all material respects, and none of KCS, KCSR or any of their respective Subsidiaries has received notice of, and KCS has no Knowledge of, any condemnation, eminent domain, zoning, 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 Properties or any part thereof or of any sale or other disposition of the Owned Properties or any part thereof in lieu of condemnation, except for those matters that are set forth in Section 8.14(c) of the Disclosure Schedule.

(d) Section 8.14(d) of the Disclosure Schedule sets forth the common address of, or other means of identifying, each parcel of real property leased or subleased by KCS, KCSR or their applicable Subsidiary pursuant to each Third Party Lease and the property (or portion thereof) subject to such Third Party Lease. True, correct and complete copies of all work letters, side agreements, consents, subordination agreements, guarantees and other similar arrangements or agreements with respect to the Third Party Leases and to which KCS, KCSR or any of their respective Subsidiaries is a party (or that are otherwise in the possession of KCS, KCSR or any of their respective Subsidiaries) has heretofore been made available to NS. There are no oral agreements in effect as to any Third Party Lease to which KCS or any Subsidiary of KCS is a party. The terms of the Third Party Leases have not been modified in any respect, except to the extent that such modifications are set forth in the documents previously delivered or made available to NS and its counsel, and neither KCS, KCSR or any of their respective Subsidiaries is in negotiations with any tenant or subtenant to cancel or terminate any Third Party Lease prior to the stated maturity date of such Third Party Lease.

8.15 Brokers. Neither KCS nor any of its Affiliates has retained or otherwise engaged or employed, or paid or agreed to pay any fee or commission, to any agent, broker, finder or other Person, for or on account of acting as a finder or broker in connection with this Agreement, the Ancillary Agreements or the Company Agreement or the transactions contemplated hereby and thereby.

9. Representations and Warranties of NS. NS hereby represents and warrants as of the date hereof and, to the extent provided in Section 11.3(a), as of the Closing, as follows:

9.1 Organization, Standing and Power. NS is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation and has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted.

9.2 Authority; Enforceability; Noncontravention.

(a) Each of NS, AGS and their respective Subsidiaries, as the case may be, has full power and authority to enter into, execute and deliver this Agreement, each of the Ancillary Agreements and the Company Agreement to which it is a party and perform its obligations hereunder and thereunder. This Agreement has been, and each of the Ancillary Agreements and the Company Agreement will be, duly authorized by all necessary action of each of NS, AGS and their respective Subsidiaries, as the case may be. This Agreement has been and each of the Ancillary Agreements and the Company Agreement will be, duly executed and delivered by each of NS, NSR and AGS, as the case may be, and, assuming it is duly executed and delivered by KCS and the Company, as applicable, constitutes or will constitute a valid and legally binding obligation of each of NS, AGS and their respective Subsidiaries, as the case may be, enforceable against them in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar Laws relating to or affecting creditors' rights generally, and to the availability of equitable remedies.

(b) The execution and delivery by each of NS, NSR and AGS, as the case may be, of this Agreement, each of the Ancillary Agreements and the Company Agreement do not and will not, and compliance by each of NS, NSR or AGS, as the case may be, with the provisions of this Agreement, each of the Ancillary Agreements and the Company Agreement will not, (i) conflict with or result in a breach or default under the Charter Documents of NS, NSR or AGS or any of the terms, conditions or provisions of any Contract to which NS is a party or otherwise bound, or to which any property or asset of NS, NSR or AGS is subject; (ii) subject to the filings with Governmental Authorities and other matters referred to in Section 9.2(c) below, violate any Law applicable to NS, NSR or AGS; or (iii) result in the creation or imposition of any Lien on any asset of NS, NSR or AGS, except in each case as will not, individually or in the aggregate, impair in any material respect NS' performance of its obligations hereunder.

(c) Except (i) for the applicable requirements of the STB and (ii) as set forth on Schedule 9.2(c), there are no approvals, authorizations, consents, orders or other actions of, or filings with, any Person that are required to be obtained or made by NS, NSR, AGS or the Company in connection with the execution of, and the consummation of the transactions contemplated under, this Agreement, the Ancillary Agreements or the Company Agreement, except for any matters as will not, individually or in the aggregate, impair in any material respect NS' performance of its obligations hereunder.

9.3 Brokers. Neither NS nor any of its Affiliates has retained or otherwise engaged or employed, or paid or agreed to pay any fee or commission, to any agent, broker, finder or other Person, for or on account of acting as a finder or broker in connection with this Agreement, the Ancillary Agreements or the Company Agreement or the transactions contemplated hereby and thereby.

9.4 Sufficient Funds. NS has, and will have as of the Closing, sufficient funds available to pay the NS Closing Cash Purchase Price.

10. Covenants.

10.1 Operation of the Line by KCS and KCSR. Between the date of this Agreement and the earlier of the Closing or termination pursuant to Section 13, except (a) as contemplated by this Agreement, (b) as may be required by applicable Law, (c) as set forth in Schedule 10.1 or (d) with the prior written consent of NS, KCS and KCSR will, and will cause their respective Subsidiaries to (X) operate the Line according to the ordinary course of business consistent with past practice, (Y) use all commercially reasonable efforts to preserve intact the Assets and maintain the rights, franchises and existing relations with suppliers and employees relating thereto and (Z) without limiting the generality of the clauses (X) and (Y) above:

(i) not transfer any of the Assets or any interest of KCS, KCSR or any of their respective Subsidiaries therein other than in the ordinary course of business consistent with past practice or to KCS or any Restricted Subsidiary;

(ii) not change the general nature of operation of the Assets or conduct any new line of business with the rail operating Assets not consistent with past practice;

(iii) not mortgage, encumber or pledge any of the Assets or permit or allow any of the Assets to be subjected to any Lien other than Permitted Liens;

(iv) not terminate prior to the scheduled expiration of, make any material modifications to, transfer or materially amend any Material Contract;

(v) not dispose of any books, records and accounts relating to the Assets, and to maintain such books records or accounts in the usual, regular and ordinary manner, on a basis consistent with prior periods;

- (vi) not enter into any lease for real property with respect to any portion of the Assets;
- (vii) not enter into any Contract of any kind or nature with any Affiliate (other than KCS or any Restricted Subsidiary), or make any payment or other asset Transfer to or for the benefit of any Affiliate (other than KCS or any Restricted Subsidiary), in each case, relating to the Assets or the operation of the Line;
- (viii) not permit any waste of any of the Assets;
- (ix) not pay, discharge or satisfy any material claim, liability or obligation (absolute, accrued, contingent or otherwise) related to the Assets other than in the ordinary course of business consistent with past practice;
- (x) not cancel or compromise any material debt or material claim or waive or release any material rights relating to the Assets or the operation of the Line;
- (xi) not grant any haulage, trackage or other access or operating rights with respect to the Line, except as required by Law;
- (xii) not take any action that would cause a breach of any representation or warranty set forth in Article 8 hereof; or
- (xiii) not authorize or enter into any agreement to otherwise take any of the foregoing actions.

10.2 Inspection of Records; Environmental Audits.

(a) Between the date of this Agreement and the Closing, KCS and KCSR shall, and shall cause their respective Subsidiaries to, allow, to the extent not prohibited by applicable Law, the officers, attorneys, accountants and other duly authorized representatives of NS reasonable access during regular business hours to the records and files, correspondence, audits, properties and personnel, as well as to all information, in each case, relating to the Assets. Any information regarding the Assets so obtained, and any information obtained by either party pursuant to the provisions of this Agreement, the Company Agreement and the Ancillary Agreements, shall be subject to the Agreement Regarding Confidentiality and Related Matters between KCS and NS, dated as of April 11, 2005, as extended to date (the "Confidentiality Agreement"), and such information shall be held by the recipient in accordance with the terms of the Confidentiality Agreement; it being understood that, for purposes of this provision, the term of the Confidentiality Agreement shall be deemed to have been extended for a period of one (1) year immediately following the Closing Date. No investigation by NS or its representatives shall affect the representations and warranties of KCS and KCSR set forth herein or preclude reliance thereon.

(b) Between the date of this Agreement and the Closing, KCS shall continue to make available for inspection by NS true, correct and complete copies

of the Environmental Reports, and shall promptly deliver to NS true, correct and complete copies of any Environmental Reports that are prepared after the date hereof or that have not been previously disclosed to NS.

(c) If reasonably necessary (as determined solely by NS), NS and/or its appointed agents shall be entitled to perform at the expense of NS Phase I and Phase II environmental audits of the Properties in a manner which shall not unreasonably interfere with the operation of the Line in the ordinary course of business consistent with past practice. With respect to any Property for which NS determines a Phase I and/or Phase II audit is warranted, KCS, KCSR and their respective Subsidiaries shall provide NS and its appointed agents reasonable access to any such Property to conduct the Phase I and/or Phase II audit. Additionally, KCS, KCSR and their respective Subsidiaries shall fully cooperate with all reasonable requests made by NS and its appointed agents in connection with the Phase I and Phase II audits in accordance with the terms of the access agreement set forth in Exhibit O (the "Access Agreement") and shall cooperate in good faith with reasonable requests made by NS and its appointed agents in connection with the Phase I and Phase II audits.

10.3 Alternative Proposals. During the period from the date of this Agreement and extending through the earlier of the termination of this Agreement in accordance with its terms or the Closing, KCS agrees that (a) it shall not, and shall use its commercially reasonable efforts to direct and cause its officers, directors, employees, agents and representatives (including any investment banker, attorney or accountant), as applicable, not to, directly or indirectly, (i) initiate, solicit or encourage, directly or indirectly, or accept the submission of any proposal or offer by any third party with respect to any joint venture, merger, acquisition, sale, consolidation or similar transaction involving the Line or any haulage, trackage or marketing arrangement involving the Line, in each case, other than the transactions contemplated by this Agreement (any such proposal or offer being hereinafter referred to as an "Alternative Proposal") or initiate or participate in any negotiations or discussions concerning an Alternative Proposal, (ii) enter into any agreement, agreement in principle, letter of intent or similar arrangement (whether or not legally binding) with any third party relating to an Alternative Proposal or (iii) provide any confidential information or data to any third party relating to an Alternative Proposal, and (b) it shall notify NS promptly if any Alternative Proposal is received by it or any negotiations or discussions relating to a potential Alternative Proposal are sought to be initiated or continued with KCS, including the material terms of such Alternative Proposal and the identity of the Person making such Alternative Proposal or seeking such negotiations or discussions; provided, that nothing in this Section 10.3 shall prevent KCS from taking any action with respect to any proposal or offer not initiated, solicited or encouraged in violation of this Section 10.3 or participating in negotiations or discussions with respect to such a proposal or offer if it is advised by outside legal counsel that it is required to take such action to satisfy the fiduciary duties of the Board of Directors of KCS under Delaware law; provided, however, that KCS shall not be permitted to terminate this Agreement other than as provided in Article 13 hereof.

10.4 Confer with NS. Prior to the Closing, to the extent practicable and not prohibited by applicable Law, KCS shall confer with NS on all operational matters that might reasonably be expected to materially affect the Assets or, after the Closing Date, the operation of the Line, including, but not limited to material transactions and material expenditures.

10.5 Commercially Reasonable Efforts. Between the date of this Agreement and the Closing, each of the parties to this Agreement will use its commercially reasonable efforts to cause the conditions to the obligations of the other parties set forth in Article 11 of this Agreement, as the case may be, to be satisfied; provided, that, except as agreed in writing by the parties hereto, in no event shall any of the parties hereto be obligated to accept, or cause the Company to accept, in connection with obtaining any Required Governmental Consents required by Section 11.1(c) or any consent, approval or agreement required by Section 11.2(d), any condition or requirement that is not acceptable to such party in its reasonable judgment. In addition, the parties hereto shall (i) cooperate and use their commercially reasonable efforts to obtain all consents, approvals, authorizations and agreements (or exemptions therefrom) of all Governmental Authorities necessary to authorize, approve or permit the consummation of the transactions contemplated by this Agreement, the Company Agreement and the Ancillary Agreements (the "Required Governmental Consents") at the earliest possible time hereafter, (ii) as promptly as practicable hereafter, file or submit, or cause to be filed or submitted, to all Governmental Authorities all notices, applications, documents and other materials necessary in connection with obtaining the Required Governmental Consents and (iii) use their respective commercially reasonable efforts to respond as promptly as practicable to all inquiries received from all Governmental Authorities for additional information or documentation in connection with obtaining such Required Governmental Consents. Each of the parties hereto shall promptly advise each other party hereto upon receiving any communication (written or oral) from any Governmental Authority whose consent, approval or authorization is required, or to whom notice must be submitted, for consummation of the transactions contemplated by this Agreement, the Company Agreement and the Ancillary Agreements which constitutes a reasonable likelihood that any requisite regulatory consent, approval or authorization will not be obtained or that receipt of any such consent, approval or authorization will be materially delayed. Each of the parties hereto shall furnish to the other party hereto such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of any filings or submissions to any Governmental Authority necessary to obtain any of the Required Governmental Consents. Each of the parties hereto shall provide the other party hereto with draft copies and as-filed copies of all filings and submissions with Governmental Authorities in respect of the Required Governmental Consents and shall provide the other with a reasonable opportunity to comment upon all such draft copies. Each of the parties hereto and its respective representatives shall promptly inform the other party hereto regarding the substance of all communications and contacts received from any Governmental Authority with respect to this Agreement, the Company Agreement, the Ancillary Agreements or the transactions contemplated hereby and thereby, and neither of the parties hereto shall initiate any contact or communications with any Governmental Authority regarding this Agreement, the Ancillary Agreements or the transactions contemplated hereby and thereby without

giving reasonable prior notice to the other party hereto and offering the other party hereto the opportunity to have a representative of such party participate in the contact or communication. For the avoidance of doubt, either party hereto shall be free to discuss regulatory matters with any Governmental Authority without the participation of the other party hereto to the extent such discussions do not directly relate to the transaction contemplated by this Agreement, the Company Agreement and the Ancillary Agreements.

10.6 Real Estate Matters.

(a) KCS and KCSR shall use their commercially reasonable efforts to obtain an estoppel certificate from each landlord under the Leases certifying that each lease is in full force and effect and that there are no defaults thereunder or any conditions that with the passage of time would constitute a default thereunder, or an estoppel certificate in the form so provided for under any such Lease or Third Party Lease. In the event that KCS is unable to deliver an estoppel certificate for any of the Leases or Third Party Leases to NS at the Closing, KCS shall indemnify NS against any loss, cost, liability or expense which NS may incur as a result of the failure of KCS to deliver such estoppel certificate.

(b) KCS and KCSR shall cause (i) title to the Owned Properties, at Closing, to be free and clear of all Liens and without exceptions, disclaimers of liability or objections except for Permitted Liens and any matters which the Title Company has committed to insure over or omit, and (ii) the First American Title Insurance Company of New York or another reputable title insurance company selected by NS (the "Title Company") to insure the Owned Properties under the terms described above.

(c) Between the date of this Agreement and the Closing, KCS shall disclose to NS any newly identified Liens on the Owned Properties that have not been previously disclosed to NS.

10.7 Publicity. The initial public disclosure relating hereto, if any, will be a joint press release and thereafter, except as otherwise required by Law, the applicable rules of the stock exchanges on which KCS' and NS' shares are listed or any other self-regulatory organization, the parties shall coordinate with each other, including the provision of drafts and the opportunity to comment thereon, prior to issuing any press releases or otherwise making public statements with respect to the transactions contemplated hereby.

10.8 Standstill. For a ten (10) year period commencing on the date hereof (such period, the "Standstill Period"), neither KCS nor NS shall, jointly with any third Person, directly or indirectly, (i) purchase or offer or agree to purchase any material assets or any voting securities of the other party (other than purchases of up to 1% of the other party's common stock) other than in the ordinary course of business consistent with past practice or (ii) propose any merger or other business combination involving the other party (any such purchase, offer to purchase or proposal, a "Business Combination"), except, in each case, if specifically invited in writing to do so by the other party. In

addition, during the Standstill Period, neither KCS nor NS nor any of their respective Subsidiaries shall, jointly with any third Person, without the prior written consent of the other party: (i) make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote or seek to advise or influence any Person with respect to the voting of any voting securities of the other party; (ii) form, join, or in any way participate in a "group" within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934 with respect to any voting securities of the other party; or (iii) otherwise act, alone or in concert with others, to seek to control the management, Board of Directors, or policies of the other party. Notwithstanding the foregoing, the provisions of this Section 10.8 shall not apply to either party if during such Standstill Period (i) the other party publicly proposes to enter into a Business Combination with another Person, (ii) either NS or KCS (or their respective Affiliates) ceases to be a member of the Company or (iii) this Agreement is terminated pursuant to Article 13 hereof.

10.9 Encumbrance and Transfer of Assets; Indentures.

(a) From and after the date hereof, KCS shall not, and shall cause its Subsidiaries not to, without the prior written consent of NS: (i) enter into, amend or extend any Contract (including the Indentures or the notes governed thereby) in any manner which would encumber any of the assets or properties of the Company or prohibit, limit or defer in any way any of NS' management rights set forth in the Company Agreement (including any rights in respect of Major Decisions (as such term is defined in the Company Agreement) that become or may become with the passage of time effective and/or that are modified after the Closing Date); or (ii) with respect to any assets transferred from the Company to KCS or its Restricted Subsidiaries as permitted by the Company Agreement, except as contemplated by Section 10.10, enter into any Contract with respect to or consummate any (x) acquisition, divestiture, spin-off, merger, consolidation, business combination or similar transaction in which such assets would cease to be held by KCS or a Restricted Subsidiary or their respective successors, (y) sale, transfer, lease, sublease, license or other disposition of such assets (except by a Restricted Subsidiary to another Restricted Subsidiary or KCS) or (z) formation of or other participation in, any joint venture or partnership with respect to such assets.

(b) From and after the date hereof, KCS shall, and from and after the Closing Date NS shall, cause the Company to comply with the provisions of the Indentures and shall not, and shall cause the Company not to, incur any additional Indebtedness other than as and to the extent permitted by the Company Agreement and the Indentures and, in any event, subject to Section 10.9(a).

10.10 Option to Acquire the Line.

(a) In the event of a Permitted Asset Transfer (as such term is defined in the Company Agreement) to which NS has not previously consented in writing, KCS shall, at least twenty (20) Business Days before such transfer, provide Notice thereof (each such Notice, a "Line Option Notice") to NS in accordance with the provisions of Section 14.1 and NS shall have the option (the "Line Option") to acquire, or cause one or more of its Subsidiaries to acquire, in accordance with the procedures set

forth in this Section 10.10, (1) from the relevant transferee or transferees, all right, title and interest in the Line, as it then exists, but subject to Permitted Liens, that is owned by such transferee(s) together with, at the option of NS in its sole discretion, all right, title and interest of such transferee(s) or KCS and its Subsidiaries (other than the Company) in and to the rail yards at or near Monroe, Louisiana, Bossier City, Louisiana and Pearson, Mississippi (the Line and such rail yards collectively, the "Line Assets") that are owned by such transferee or KCS or any of its Subsidiaries (other than the Company) at the time of such Permitted Asset Transfer (the "KCS Line Assets") and (2) either:

(i) from KCS and its Subsidiaries, the Membership Interests of the KCS Member (as such terms are defined in the Company Agreement) (the "KCS Membership Interests"); or

(ii) from the Company, the remaining Line Assets (if any) owned by the Company following such Permitted Asset Transfer (the "Company Line Assets").

(b) Notwithstanding anything to the contrary herein, in the case of a Permitted Asset Transfer involving one or more assets of the Company that are not material, individually or in the aggregate, to the operation of the Line, the Line Option will not be available to NS if, within twenty (20) days after such transfer, the asset(s) subject to such Permitted Asset Transfer are transferred back to the Company on terms which have the same effect as if such Permitted Asset Transfer had not occurred.

(c) From and after the date of a Line Option Notice, KCS shall allow, to the extent not prohibited by applicable Law, the officers, attorneys, accountants and other duly authorized representatives of NS access during regular business hours to any books, records, files, correspondence, audits, properties, personnel and other information of KCS or its Subsidiaries relating to the Line Assets owned by KCS or its Subsidiaries (other than the Company) that is reasonably requested by NS or its representatives.

(d) At any time during the thirty (30) day period commencing on receipt of a Line Option Notice, NS may give Notice to KCS in accordance with the provisions of Section 14.1 (each such Notice, a "Line Option Valuation Notice") of its desire to commence the valuation of the Line Assets and the KCS Membership Interests in accordance with the procedures set forth in this Section 10.10(d). Upon the delivery of a Line Option Valuation Notice, NS and KCS shall each select and engage a reputable, independent M.A.I. designated appraiser with at least ten (10) years of experience in valuing real property and rail improvements for rail line and yard property or, at their respective option, an independent investment banking firm of national reputation and such appraisers or investment banking firms shall be instructed to meet within thirty (30) days following their selection and at such meeting to mutually agree upon the selection of an appraiser, appropriately qualified in their judgment (the "Appraiser") to determine:

(i) the fair market value of the Line Assets on a stand-alone rail operation basis (the "Line FMV"), as well as the portion of the Line FMV

attributable to the KCS Line Assets, in the aggregate, and the Company Line Assets, in the aggregate; and

(ii) the fair market value of the KCS Membership Interests (with the Line FMV determined as provided in Section 10.10(d)(i)) (the "Membership Interest FMV").

For purposes of this Section 10.10(d), "fair market value" shall mean, with respect to any asset or property, the price that could be negotiated in an arm's-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

(e) Within ninety (90) days of the date of its appointment, the Appraiser shall provide to both NS and KCS a report (the "Appraisal Report"), which report shall include the Appraiser's determination of the Line FMV, as well as the portion of the Line FMV attributable to the KCS Line Assets, in the aggregate, and the Company Line Assets, in the aggregate, and the Appraiser's determination of the Membership Interest FMV.

(f) Each of NS and KCS shall, and shall cause the Company and their respective Subsidiaries to, cooperate with the Appraiser and promptly provide all documents and other information and access during regular business hours to the Line Assets reasonably requested by the Appraiser in connection with its appraisal. The determination of the Line FMV and the Membership Interest FMV set forth in the Appraisal Report shall be final and binding on NS and KCS for purposes of this Section 10.10. KCS and NS shall bear equally all expenses of the Appraiser.

(g) Within sixty (60) days after the determination of the Line FMV and the Membership Interest FMV, either by mutual agreement of the parties (without any obligation to negotiate toward or reach such agreement) or by the issuance of the Appraisal Report, NS shall give Notice to KCS of whether it wishes to exercise the Line Option (the "Line Option Exercise Notice") at the Line FMV or the portion thereof attributable to the KCS Line Assets and Membership Interest FMV, as the case may be, as finally determined pursuant to subsections (e) and (f) above, which Notice shall indicate whether NS wishes to acquire the KCS Membership Interests pursuant to Section 10.10(a)(i) or the Company Line Assets pursuant to Section 10.10(a)(ii). In the event that NS has elected to acquire the KCS Membership Interests pursuant to the Line Option, the transfer of such interests shall be governed by the procedure set forth in Article 10 of the Company Agreement. If NS delivers a Line Option Exercise Notice to KCS, NS (or its designated Subsidiar(ies)), KCS and its Subsidiaries shall effect the transfer of the KCS Line Assets, and (in the case that NS has elected to acquire the Company Line Assets pursuant to the Line Option) cause the Company to effect the transfer of the Company Line Assets, to NS (or its designated Subsidiar(ies)) pursuant to customary documentation reasonably acceptable to the parties, including any agreements, documents and other instruments necessary or reasonably requested by NS (or its designated Subsidiar(ies)) to effect such transfer. Such documentation shall call for KCS and its Subsidiaries and, if NS elects to acquire the Company Line Assets pursuant to

Section 10.10(a)(ii), the Company to provide representations, warranties, covenants and indemnities with respect to the KCS Line Assets and Company Line Assets, respectively, with terms at least as favorable to NS and its Subsidiaries as are set forth in this Agreement with respect to the Line and the Assets. Notwithstanding anything to the contrary contained herein, the completion of the sale of the KCS Line Assets and/or Company Line Assets, as the case may be, pursuant to the Line Option and in accordance with the terms of such documentation shall each occur, and the NS Member shall pay the portion of the Line FMV attributable to the assets so acquired to the transferring party, on a date to be mutually agreed by KCS and NS, but in no event later than the later of (i) ninety (90) days after the delivery date of the Line Option Exercise Notice and (ii) five Business Days after the date on which the last of any required regulatory approvals in connection with such transaction is received. The KCS Line Assets and, if applicable, Company Line Assets, shall be conveyed to NS (or its designated Subsidiar(ies)) subject only to Permitted Liens and KCS shall be responsible for the payment of all transfer, filing and recording taxes in connection with the exercise of the Line Option with respect to such assets and the conveyance of the KCS Line Assets and, if applicable, Company Line Assets. All payments of the Line FMV attributable to the assets acquired shall be made by wire transfer of immediately available funds to an account or accounts specified by the intended recipients.

(h) In the event that NS elects not to exercise the Line Option, it shall be entitled to exercise the contingent trackage rights described in Section 3 of the NSR Joint Use Agreement. For the avoidance of doubt, nothing in this Section 10.10 nor any decision of NS not to exercise the Line Option shall in any way limit the rights of NS and its Affiliates under the NSR Joint Use Agreement, the Western Haulage Agreement, the Contingent Haulage Agreement or any other Ancillary Agreement.

(i) Notwithstanding anything in this Section 10.10 to the contrary, the Line Option shall be exercised, and title to the Line Assets shall vest, if at all, on or prior to the date on which the last of the living descendents of Joseph P. Kennedy shall die, plus twenty one (21) years.

(j) In the event that no Appraiser is appointed pursuant to and in compliance with Section 10.10(d) an Appraiser will be appointed by arbitration in accordance with Section 14.13.

10.11 Determination and Payment of Real Property Taxes. KCSR is contributing the Assets to the Company through one deed that excludes certain property. Because the Assets will be included in KCSR's Form R1 that is filed annually with the STB, Mississippi, Louisiana, and their local governments will assess property tax against KCSR (not the Company) that includes the Assets. Therefore, in connection with each annual property tax assessment, KCSR and NS will determine jointly and in good faith a reasonable and fair allocation of KCSR's property tax liability that is attributable to the Assets and that should be paid by the Company, and KCSR and NS will certify in writing that the determined amount is reasonable and fair. Thereafter, KCSR will bill the Company for, and the Company shall promptly pay to KCSR, the jointly determined share of the property tax.

10.12 NS Automotive Traffic. From and after the date hereof, NS and KCS shall negotiate in good faith the terms of an agreement with respect to NS' rights to move automotive traffic over the Line or to interchange such traffic.

10.13 Vicksburg Bridge Lease Dispute. KCS shall use its commercially reasonable efforts to resolve the Vicksburg Bridge Lease dispute referred to in, and in the manner contemplated by, Section 3.1(b).

11. Conditions to the Closing.

11.1 Mutual Conditions. The respective obligations of the parties to complete the purchase/sale of the NS Interest on the Closing Date as contemplated by Section 2.1(a), the contribution of the Assets in exchange for the KCS Interest and to take the other actions required to be taken by each of the parties at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived jointly by NS and KCS in writing, in whole or in part):

(a) Company Agreement. KCS and NS or their respective Affiliates shall have entered into the Company Agreement.

(b) Ancillary Agreements. KCS, KCSR, NS, the Company and their respective Affiliates, as applicable, shall have entered into each of Ancillary Agreements.

(c) Regulatory Approvals. All Required Governmental Consents (including from the STB) shall have been obtained and shall be in full force and effect, and not subject to conditions that any party deems unacceptable in its reasonable judgment, and shall not be subject to a pending petition for review before a U.S. Court of Appeals.

(d) No Order or Action. No Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority which prohibits, restricts or makes illegal the consummation of the Closing or any of the material transactions contemplated thereby, or by the Company Agreement or any of the Ancillary Agreements, and no Action shall be pending or threatened that questions the validity of this Agreement, the Company Agreement or any of the Ancillary Agreements or declares or proposes to declare the same unlawful or seeks to enjoin the consummation of any of the material transactions contemplated hereby or thereby.

11.2 Additional Conditions of NS. The obligation of NS to complete the purchase of the NS Interest on the Closing Date as contemplated by Section 2.1(a), and to take the other actions required to be taken by NS at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following additional conditions (any of which may be waived by NS in writing, in whole or in part):

(a) Representations and Warranties. The representations and warranties contained in Article 8 hereof and in all certificates delivered by KCS and KCSR to NS pursuant hereto or in connection with the transactions contemplated hereby

shall be true and accurate in all respects (in the case of representations and warranties qualified by "materiality," "in all material respects," "Material Adverse Effect" or similar terms or phrases, and in the case of the representations and warranties set forth in Sections 8.1 and 8.2) or in all material respects (in the case of all other representations and warranties) as of the date of this Agreement and as of the Closing as though made at and as of the Closing (except for changes contemplated by this Agreement and except for representations and warranties that by their terms speak specifically as of the date of this Agreement or some other date, in which case as of such date).

(b) Performance. KCS and KCSR shall have performed all obligations and complied with in all material respects all covenants required by this Agreement to be performed or complied with by KCS or KCSR on or prior to the Closing Date.

(c) Certificate. KCS shall have delivered to NS a certificate, dated the Closing Date, signed on behalf of KCS by an officer of KCS, certifying that the conditions specified in Sections 11.2(a) and (b) of this Agreement have been satisfied.

(d) Consents. At the Closing, KCS shall have delivered to NS all consents, approvals and agreements of any third Persons required by the terms of any Material Contract in order that the rights of KCS or any of its Subsidiaries or the prospective rights of the Company under such Material Contract, in each case, as they relate to the Assets or the Assumed Liabilities, will not be impaired by the consummation of the transactions contemplated by this Agreement, the Company Agreement and the Ancillary Agreements, and such consents, approvals and agreements shall be in full force and effect.

(e) No Material Adverse Effect. There shall have been no Material Adverse Effect on KCS or KCSR.

(f) Opinions of Counsel. NS shall have received an opinion of Sonnenschein Nath & Rosenthal LLP, dated as of the Closing Date, substantially in the form attached as Exhibit P hereto, and an opinion of the Senior Vice President and General Counsel of KCS, dated as of the Closing Date, substantially in the form attached as Exhibit Q hereto.

(g) Bank Approval of Transaction Agreements. KCS shall have delivered to NS written confirmation by the Required Lenders (as such term is defined in KCS Credit Agreement Amendment No. 2) that the form and substance of this Agreement and the Ancillary Agreements are satisfactory to the Required Lenders as contemplated by Section 1(a)(xiv) of KCS Credit Agreement Amendment No. 2.

11.3 Additional Conditions of KCS. The obligation of KCS and KCSR to complete the contribution of the Assets in exchange for the KCS Interest, and to take the other actions required to be taken by KCS and KCSR at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following additional conditions (any of which may be waived by KCS in writing, in whole or in part):

(a) Representations and Warranties. The representations and warranties contained in Article 9 hereof and in all certificates delivered by NS to KCS pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate in all respects (in the case of representations and warranties qualified by "materiality," "in all material respects," "material adverse effect" or similar terms or phrases, and in the case of the representations and warranties set forth in Sections 9.1 and 9.2) or in all material respects (in the case of all other representations and warranties) as of the date of this Agreement and as of the Closing as though made at and as of the Closing (except for changes contemplated by this Agreement and except for representations and warranties that by their terms speak specifically as of the date of this Agreement or some other date, in which case as of such date).

(b) Performance. NS shall have performed all obligations and complied with in all material respects all covenants required by this Agreement to be performed or complied with by NS on or prior to the Closing Date.

(c) Certificate. NS shall have delivered to KCS a certificate, dated the Closing Date, signed on behalf of KCS by an officer of NS, certifying that the conditions specified in Sections 11.3(a) and (b) of this Agreement have been satisfied.

(d) No Material Adverse Effect. There shall have been no Material Adverse Effect on NS or AGS.

(e) Opinions of Counsel. KCS shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, dated as of the Closing Date, substantially in the form attached as Exhibit R hereto an opinion of the Vice President and Corporate Counsel of NS, dated as of the Closing Date, substantially in the form of Exhibit S hereto and an opinion of Cabannis, Johnston, Gardner, Dumas & O'Neal LLP, dated as of the Closing Date, substantially in the form of Exhibit T hereto.

12. Survival of Representations and Warranties; Indemnity.

12.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement or made in any document delivered pursuant to this Agreement by or on behalf of any party shall survive the execution and delivery of this Agreement and the Closing, regardless of notice of or any investigation or right of investigation made after the date of this Agreement by or on behalf of any party, and shall terminate and expire one (1) year following the Closing Date, except that the representations and warranties made in Section 8.2(b)(ii) as they relate to the Indentures shall terminate and expire on the earlier of the date that is four (4) years following the Closing Date and the Maturity Date (as such term is defined in the Company Agreement) and the representations and warranties made in Sections 8.7, 8.10 and 8.14 shall terminate and expire sixty (60) days after the termination of the applicable statute of limitations, in each case, after which date they shall be of no further force or effect (except for bona fide claims of which a party has provided written notice in good faith to the other parties prior to the relevant expiration date).

12.2 Indemnification by KCS.

(a) KCS and KCSR shall indemnify, save and hold harmless (i) NS and its Affiliates, and each of their respective officers, directors, employees and agents, and each of their respective successors and assigns (collectively, the "NS Indemnified Parties"), from and against any and all costs, losses, claims, liabilities, damages, fines, penalties, expenses and Cleanup costs (including any interest which may be imposed in connection therewith and court costs and reasonable fees and disbursements of counsel) ("Damages," which shall not include any claim of diminution of value of a Member's interest in the Company unless the Company shall have incurred actual loss) incurred in connection with, arising out of, resulting from or incident to: (A) any breach of the representations or warranties of KCS and KCSR in this Agreement, except for Section 8.7, (in each case, solely for the purpose of calculating the amount of Damages, without regard to any qualification or limitation with respect to "materiality," whether by reference to "material," "in all material respects" or "Material Adverse Effect"), or (B) any breach or default in any covenants or agreements made by KCS in this Agreement; and (ii) the Company and its Affiliates, and each of their respective officers, directors, employees and agents (other than KCS or its Subsidiaries) and each of their respective successors and assigns (collectively, the "Company Indemnified Parties") and any NS Indemnified Parties from and against any and all Damages incurred in connection with, arising out of, resulting from or incident to any obligation or liability, other than the Assumed Liabilities, incurred in connection with, arising out of, resulting from or incident to any act or omission by KCS or KCSR, any of its Affiliates prior to the Closing relating to the Assets, whether fixed or contingent, recorded or unrecorded, known or unknown.

(b) KCS and KCSR shall defend, indemnify and hold harmless any NS Indemnified Parties and any Company Indemnified Parties for, from, and against all Damages asserted against, resulting to, imposed on, or incurred by NS or the Company in connection with: (i) any misrepresentation or breach of any environmental representation or warranty set forth in Section 8.7 of this Agreement; (ii) (A) the Release or threatened Release of any Hazardous Materials prior to the Closing Date on, from or under the Properties or in connection with the operation of the Assets or (B) the Release of any Hazardous Materials on, from or under any other property where, prior to the Closing Date, Hazardous Materials are or were Released, discharged or disposed of which, on or prior to the Closing date, have impacted the Property or the Assets or (C) the Release or threatened Release of any Hazardous Materials on, from or under any other property where, prior to the Closing Date, Hazardous Materials are or were Released, threatened to be Released, discharged or disposed of in connection with disposal activities related to the Properties or the Assets, whether or not, in any case covered by this clause (ii), such Release, threatened Release, discharge or disposal was in compliance with Environmental Law; (iii) the violation prior to the Closing of any Environmental Law in effect prior to the Closing by KCS or KCSR, any of their Subsidiaries or any other Person in connection with the Properties or the Assets; and (iv) any Environmental Claim relating to the Properties or the Assets against any Person whose liability for such Environmental Claim KCS, KCSR or any of their respective Subsidiaries has retained or assumed either contractually or by operation of Law.

(c) KCS and KCSR shall have no obligation to indemnify the NS Indemnified Parties under Section 12.2(a)(i)(A) until the NS Indemnified Parties have suffered Damages in excess of \$2,000,000 in the aggregate, and then KCS and KCSR will be obligated to indemnify the NS Indemnified Parties for Damages only in excess of such amount, but KCS and KCSR shall not be liable for indemnification under Section 12.2(a)(i)(A) for Damages in excess of \$300,000,000 in the aggregate; provided, that such \$2,000,000 threshold shall not apply to any Damages arising from any breach of any representation or warranty in Section 8.10. If KCS and KCSR are obligated to indemnify the NS Indemnified Parties, then KCS and KCSR may, at their election, (i) pay such indemnification directly to the NS Indemnified Parties or the Company Indemnified Parties, as the case may be, (ii) pay any Damages arising from any liability or any Third Party Claim directly to the applicable third party (to the extent that such Damages are owed to such third party), or (iii) contribute amounts to the Company and cause the Company to pay any Damages arising from any liability or any Third Party Claim directly to the applicable third party (to the extent that such Damages are owed to such third party); provided, that the foregoing shall not limit in any way the obligation of KCS and KCSR to satisfy all such indemnification obligations.

(d) Except for fraud, injunctive and provisional relief and remedies that cannot be waived as a matter of Law, if the Closing occurs, this Section 12.2 shall be the exclusive remedy for any breach of any of KCS' or KCSR's representations and warranties or any breach of KCS' or KCSR's covenants contained in this Agreement.

12.3 Indemnification by NS.

(a) NS shall indemnify, save and hold harmless KCS and its Affiliates, and each of their respective officers, directors, employees and agents and each of their respective successors and assigns, from and against any and all Damages incurred in connection with, arising out of, resulting from or incident to: (i) any breach of or any inaccuracy in any of, the representations or warranties of NS in this Agreement (in each case, solely for the purpose of calculating the amount of Damages, without regard to any qualification or limitation with respect to "materiality," whether by reference to "material," "in all material respects" or "Material Adverse Effect"); or (ii) any breach or default in covenants or agreements made by NS in this Agreement.

(b) Except for fraud, injunctive and provisional relief and remedies that cannot be waived as a matter of Law, if the Closing occurs, this Section 12.3 shall be the exclusive remedy for any breach of any of NS' representations and warranties or any breach of NS' covenants contained in this Agreement.

12.4 Notification of Claims. A party entitled to indemnification under Sections 12.2 or 12.3 (an "Indemnified Party") shall notify the other party (the "Indemnifying Party") within a reasonable period of time after becoming aware of any Damages which the Indemnified Party shall have determined has given or could give rise to a claim for indemnification under Sections 12.2 or 12.3 hereof. Such notice shall include an estimate of the Damages that the Indemnified Party has determined may be

incurred to the extent then known or reasonably determinable. The failure to so notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party, except to the extent of any prejudice to the Indemnifying Party resulting from such delay. As soon as practicable after the date of such notice, the Indemnified Party shall provide to the Indemnifying Party all information and documentation necessary to support and verify the Damages so claimed and the Indemnifying Party and its agents shall be given access to all books and records in the possession or control of the Indemnified Party which the Indemnifying Party reasonably determines to be related to such claim.

12.5 Matters Involving Third Parties.

(a) If any third party shall commence an Action against any Indemnified Party with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification under Sections 12.2 or 12.3, or if an Indemnified Party otherwise becomes aware that a Third Party Claim may be asserted against the Indemnified Party, the Indemnified Party shall notify the Indemnifying Party in writing as soon as practicable. The failure to so notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party, except to the extent of any prejudice to the Indemnifying Party resulting from such delay. If the Indemnifying Party notifies the Indemnified Party that it does not dispute the claim, or fails to notify the Indemnified Party within 30 days after delivery of such notice by the Indemnified Party whether the Indemnifying Party disputes the claim, all Damages incurred in connection with, arising out of, resulting from or incident to such Third Party Claim will be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall pay the amount of such Damages to the Indemnified Party promptly upon the final determination thereof.

(b) If the Indemnifying Party does not respond to the notice or elects not to assume the defense of such claim or demand, in each case within the period allowed after delivery of the notice, the Indemnified Party shall have the right to defend such claim or demand by appropriate proceedings or to settle or pay any such claim or demand for such an amount as the Indemnified Party shall deem appropriate, in either case at the sole cost and expense of the Indemnifying Party, provided that the Indemnified Party shall not settle any such claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld, conditioned or delayed. In the event that the Indemnifying Party does not assume the defense of such claim or demand, the Indemnifying Party shall have the right to participate in such defense (including with counsel of its choice), at its own expense, and the Indemnified Party shall reasonably cooperate with the Indemnifying Party in connection with such participation.

(c) If the Indemnifying Party notifies the Indemnified Party that it desires to defend against such claim or demand, then the Indemnifying Party shall be entitled to participate in or, at the Indemnifying Party's option, assume at its own cost and expense the defense of any such claim or demand with counsel of its own choosing (which shall be reasonably acceptable to the Indemnified Party), provided, that, if the

Indemnifying Party assumes the defense of such claim or demand it shall reimburse the Indemnified Party for out of pocket expenses incurred by the Indemnified Party (such as travel costs, but not internal time charges) and the Indemnified Party (i) shall reasonably cooperate with the Indemnifying Party; and (ii) may elect to participate in any such defense at its sole cost and expense, but the control of such defense and its settlement or resolution shall rest with the Indemnifying Party. In the event there is a significant conflict of interest between the Indemnified Party and the Indemnifying Party in the conduct of the defense of such claim or demand, the reasonable fees and disbursements of one counsel of the Indemnified Party shall be at the expense of the Indemnifying Party. The Indemnifying Party shall not compromise or settle any such claim or demand without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed), unless such settlement or compromise does not subject the Indemnified Party to any monetary liability, will not impose on the Indemnified Party any obligation, admission, restriction or further Damages and includes a complete, unconditional release of the Indemnified Party from all liability with respect to such claim or demand.

(d) In all cases the Indemnified Party and the Indemnifying Party shall keep each other reasonably informed as to all matters concerning any Third Party Claim and shall promptly notify the other party in writing of any and all significant developments relating thereto.

12.6 Taxes. If any indemnity payment pursuant to this Article 12 is determined to be taxable to any Indemnified Party by any Governmental Authority, the indemnity payment shall be increased by such amount as is necessary so that, after taking into account the Tax liability imposed upon such Indemnified Party upon receipt of such indemnity payment, the Indemnified Party receives an amount equal to the amount it would have received had such indemnity payment not been subject to Tax (after taking into account, in accordance with Section 12.7(a), any Tax benefits and/or insurance coverage that may be available to the Indemnified Party).

12.7 Other Limits on Indemnification.

(a) The amount of any Damages sustained by a Indemnified Party shall be reduced (i) by any amount received by such Indemnified Party with respect thereto under any insurance coverage relating thereto (other than insurance coverage provided by an Affiliate (other than Company) of such indemnitee) or from any other party alleged to be responsible therefor and (ii) by the amount of any Tax benefit actually realized with respect to the Damages. An Indemnified Party shall use its commercially reasonable efforts to collect any amounts available under such insurance coverage and from such other party alleged to have responsibility and to realize any Tax benefit with respect to the Damages. If an Indemnified Party realizes a Tax benefit or receives an amount under insurance coverage or from such other party with respect to Damages sustained at any time subsequent to any indemnification provided pursuant to this Article 12, then such Indemnified Party shall promptly reimburse the applicable Indemnifying Party for any payment made by such Indemnifying Party in connection with providing such indemnification up to such amount realized or received by the Indemnified Party.

Nothing in this Section 12.7(a) shall limit in any way the ability of KCS, NS or the Company to (i) take (or refrain from taking, as the case may be) any reasonable position for Tax purposes that KCS, NS or the Company determines to take (or refrain from taking) in its sole discretion or (ii) refrain from pursuing any third party insurance recovery that KCS, NS or the Company, as the case may be, determines would be commercially inadvisable to pursue.

(b) Each Indemnified Party shall use its commercially reasonable efforts to mitigate any claim or liability that an Indemnified Party asserts or may assert under this Article 12. In the event that an Indemnified Party shall fail to make such commercially reasonable efforts to mitigate any such claim or liability, then notwithstanding anything contained in this Agreement to the contrary, the Indemnifying Party shall not be required to indemnify any Indemnified Party for that portion of any Damages that would reasonably be expected to have been avoided if the Indemnified Party had made such efforts.

13. Termination.

13.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Closing by the mutual agreement, in writing, of each of KCS and NS.

13.2 Termination by Final Order. This Agreement may be terminated by KCS or NS upon written notice to the other party that any final, non-appealable Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority of competent jurisdiction which prohibits, restricts or makes illegal the consummation of the Closing or any of the material transactions contemplated thereby, or by the Company Agreement or any of the Ancillary Agreements; provided, that the right to terminate this Agreement under this Section 13.2 shall not be available to any party whose breach of any provision or whose failure to perform any obligation under this Agreement (or the breach or failure of any Affiliate thereof) has been the cause of such Law.

13.3 Termination by NS. NS may (but shall not be obligated to) terminate this Agreement prior to the Closing by giving written notice to KCS if:

(a) there has been a material violation or breach by KCS or KCSR of any of their agreements or covenants contained in this Agreement or there has been a material violation or breach by KCS or KCSR of any of their representations or warranties contained in this Agreement such that it is reasonably likely that either of the conditions set forth in Section 11.2(a) or 11.2(b) cannot be satisfied, and such violation or breach shall not have been cured or corrected within twenty days after receipt of notice thereof;

(b) the Closing does not occur on or prior to September 1, 2006, or such later date as may be agreed to in writing by the parties; provided, that, notwithstanding the satisfaction of the other conditions set forth in Sections 11.1 and 11.2

(other than any conditions which, by their terms, may only be satisfied on the Closing Date) if any of the Required Governmental Consents required by Section 11.1(c) have not been obtained by such date, such date shall be extended in additional one-month increments without any further action by the parties through February 1, 2007; and, provided, further, that the non-occurrence of the Closing is not due to a breach by NS of any condition or covenant hereunder;

(c) there has been imposed by a Governmental Authority a condition to any Required Governmental Consent, which condition is not acceptable to NS in NS' reasonable judgment; or

(d) there has been a Material Adverse Effect on KCS or KCSR which shall not have been cured or corrected within twenty days after receipt of notice thereof; provided that such Material Adverse Effect is not due to a breach by NS of any condition or covenant hereunder.

13.4 Termination by KCS. KCS may (but shall not be obligated to) terminate this Agreement prior to the Closing by giving written notice to NS if:

(a) there has been a material violation or breach by NS of any of its respective agreements or covenants contained in this Agreement or there has been a material violation or breach by NS of any of its representations or warranties contained in this Agreement such that it is reasonably likely that either of the conditions set forth in Section 11.3(a) and (b) cannot be satisfied, and such violation or breach shall not have been cured or corrected within twenty days after receipt of notice thereof;

(b) the Closing does not occur on or prior to September 1, 2006, or such later date as may be agreed to in writing by the parties; provided, that, notwithstanding the satisfaction of the other conditions set forth in Sections 11.1 and 11.3 (other than any conditions which, by their terms, may only be satisfied on the Closing Date) if any of the Required Governmental Consents required by Section 11.1(c) have not been obtained by such date, such date shall be extended in additional one-month increments without any further action by the parties through February 1, 2007; and, provided, further, that the non-occurrence of the Closing is not due to a breach by KCS or KCSR of any condition or covenant hereunder;

(c) there has been imposed by a Governmental Authority a condition to any Required Governmental Consent, which condition is not acceptable to KCS in KCS' reasonable judgment; or

(d) there has been a Material Adverse Effect on NS or AGS which shall not have been cured or corrected within twenty days after receipt of notice thereof; provided that such Material Adverse Effect is not due to a breach by KCS or KCSR of any condition or covenant hereunder.

13.5 Effect of Termination. In the event of the termination of this Agreement as permitted by this Article 13, no party shall have any obligation under, or liability to any other in respect to, this Agreement, except with respect to, any willful breach of this Agreement that gives rise to such termination and except for the provisions of the Confidentiality Agreement and the confidentiality obligations contained in Section 10.2(a), this Section 13.5 and Article 14 hereof, which shall survive the termination of this Agreement.

14. Miscellaneous.

14.1 Notices. All notices, requests, demands and other communications (collectively, "Notices") given pursuant to this Agreement shall be in writing, and shall be delivered by personal service, courier, overnight delivery service, facsimile transmission (which must be confirmed) or by United States registered or certified mail, postage prepaid, return receipt requested, to the following addresses:

(i) if to NS, to:

Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510
Facsimile No.: (757) 533-4872
Attn: James A. Squires, Esq.

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, New York 10036-6522
Facsimile No.: (212) 735-2000
Attn: Eric J. Friedman, Esq.

(ii) if to KCS or KCSR, to:

Kansas City Southern
427 West 12th Street
Kansas City, Missouri 64105
Facsimile No.: (816) 983-1227
Attn: Robert B. Terry, Esq.

with a copy to:

Sonnenschein Nath & Rosenthal LLP
4520 Main Street, Suite 1100
Kansas City, MO 64111

Facsimile No.: (816) 531-7545

Attn: John F. Marvin, Esq.

Any Notice, other than a Notice sent by registered or certified mail, shall be effective when received; a Notice sent by registered or certified mail, postage prepaid return receipt requested, shall be effective on the earlier of when received or the third day following deposit in the United States mails. Any party may from time to time change its address for further Notices hereunder by giving notice to the other parties in the manner prescribed in this Section.

14.2 Entire Agreement. This Agreement, the Company Agreement, the Ancillary Agreements and the Confidentiality Agreement, in each case including any attached exhibits and schedules, contain the sole and entire agreement and understanding of the parties with respect to the entire subject matter of this Agreement, and any and all prior discussions, negotiations, commitments and understandings, whether oral or otherwise, related to the subject matter of this Agreement are hereby merged herein. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies under or by way of this Agreement.

14.3 Assignment. No party may assign its rights or obligations under this Agreement, and any attempted or purported assignment or any delegation of any party's duties or obligations arising under this Agreement to any third party or entity shall be deemed to be null and void, and shall constitute a material breach by such party of its duties and obligations under this Agreement; provided that NS may assign its rights to any wholly-owned Subsidiary of NS.

14.4 Extension, Waiver and Amendment. At any time prior to the Closing, the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of any other party hereto, (b) waive any inaccuracies in the representations and warranties of any other party hereto contained herein or in any document delivered pursuant hereto, and (c) waive compliance by any other party hereto with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid if set forth in writing in an instrument signed by or on behalf of such party. The waiver by any party hereto of a breach of this Agreement shall not operate or be construed as a waiver of any subsequent breach. This Agreement may be amended only by a written agreement executed by all of the parties to this Agreement.

14.5 Governing Law; Submission to Jurisdiction.

(a) THE LAWS OF THE STATE OF DELAWARE SHALL GOVERN THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION OF ITS TERMS AND THE INTERPRETATION OF THE RIGHTS AND DUTIES ARISING HEREUNDER.

(b) Subject to Section 14.13, each of the parties hereto (i) consents to submit itself to the exclusive jurisdiction of any Federal or state court located in the State of Delaware (the "Delaware Courts") in any action to enforce or in aid of the agreement to arbitrate in Section 14.13 herein or for provisional relief to maintain the status quo or prevent irreparable harm pending the appointment of the arbitrators, and to the non-exclusive jurisdiction of the Delaware Courts for enforcement of any award issued hereunder (ii) will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) waives any objection based on forum non conveniens or any other objection to venue thereof.

14.6 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 therefor. 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 Section 14.13, 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 further agrees to waive any requirement for the securing or posting of any bond or other security in connection with seeking such remedies.

14.7 Severability. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement shall be or become prohibited or invalid under applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

14.8 Captions. The various captions of this Agreement are for reference only and shall not be considered or referred to in resolving questions of interpretation of this Agreement.

14.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

14.10 Costs and Attorneys' Fees. Whether or not the transactions contemplated hereby are consummated, each of the parties shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial or other consultants, investment bankers, accountants and counsel.

14.11 Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, it is agreed that a court or other tribunal, as described in Section 14.13, interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any Person by reason of the rule of

construction that a document is to be construed more strictly against the Person who itself or through its agent prepared the same, it being agreed that all parties have participated in the preparation of this Agreement.

14.12 No Third Party Beneficiaries. Except as expressly provided in this Agreement, this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto; provided, however, that this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and permitted assigns.

14.13 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, termination or validity thereof ("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 ("Dispute Notice") of such Dispute, will be submitted to mediation in accordance with the Commercial Mediation Procedures of the American Arbitration Association ("AAA"). If such dispute is not resolved within twenty (20) days after appointment of a mediator, or within sixty (60) days of receipt of Dispute Notice (whichever comes sooner), each of the parties hereto agrees that, at the demand of any party, such Dispute will be submitted to mandatory and binding arbitration before the AAA, in New York, New York by three arbitrators, under the Commercial Arbitration Rules and the Large Complex Case Procedures of the AAA then in effect (the "Rules"), under the following terms and conditions:

(a) Selection of Arbitrators. A panel of three independent arbitrators shall be appointed by the AAA using the listing, ranking and striking procedure in the Rules. Any arbitrator appointed by the AAA shall be a retired judge or a practicing attorney with no less than fifteen years of experience with large commercial cases and an experienced arbitrator.

(b) Conduct of Arbitration. The arbitration shall be held and the award shall be issued in New York, New York. 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 Delaware 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.

(c) Replacement of Arbitrator(s). Should any of the arbitrator(s) refuse or be unable to proceed with arbitration proceedings, replacement arbitrator(s) will be selected using the same method of selection as the original arbitrator(s).

(d) Findings and Conclusions. The arbitrators will, after reaching judgment and award, prepare and distribute to the parties a written award including the findings of fact and conclusions of Law relevant to such award and containing an opinion setting forth the reasons for the giving or denial of any award.

(e) Time is of the Essence. The arbitrators are hereby instructed that time is of the essence in the arbitration proceeding, and that the arbitrators will have the right and authority to issue monetary sanctions against any party if, upon a showing that such party is unreasonably delaying the proceeding.

(f) Temporary Equitable Relief. By agreeing to arbitration, the parties do not intend to deprive any Delaware 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 a Delaware 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.

(g) Consolidation. The parties hereto are committed to the prompt and efficient resolution of disputes. Accordingly, if one or more disputes arises under this Agreement, the Company Agreement or any of the Ancillary Agreements such disputes may be brought in a single arbitration. If more than one arbitration is brought with respect to disputes under this Agreement, the Company Agreement or any of the Ancillary Agreements, then any party hereto may request that any arbitration or any new dispute arising under this Agreement, the Company Agreement or any of the Ancillary Agreements be consolidated into any prior arbitration. The new dispute or arbitration shall be so consolidated, provided that the arbitral tribunal for the prior (or first filed) arbitration determines that (i) the new dispute or arbitration presents significant issues of Law or fact common with those in the pending arbitration; (ii) no party would be unduly prejudiced and (iii) consolidation under such circumstances would not result in undue delay for the prior arbitration. Any order of consolidation issued by such arbitral tribunal shall be final and binding upon the parties. Unless the parties otherwise agree, the arbitral tribunal appointed first in time shall serve as the arbitral tribunal for the consolidated arbitration. The parties waive any right they have to appeal or to seek interpretation, revision or annulment of such order of consolidation under the Rules or in any court. The parties hereto agree that upon such an order of consolidation, they will promptly dismiss any arbitration brought under this Agreement, the subject of which has been consolidated into another arbitral proceeding.

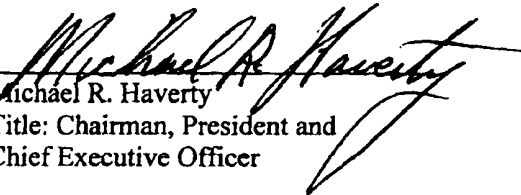
(h) Discovery. Recognizing the express desire of the parties for an expeditious means of dispute resolution, the arbitrators will allow for limited discovery as may be reasonable under the circumstances.

(i) Costs and Attorneys' Fees. Notwithstanding any rule of the AAA to the contrary, the arbitrators rendering judgment under this Section 14.13 will have the power to award the costs of the arbitration, including reasonable attorneys' fees and expenses to the prevailing party or parties in the arbitration. In any action to enforce this agreement to arbitrate or any arbitral award rendered hereunder, the court may award costs and attorneys' fees against the party resisting enforcement.

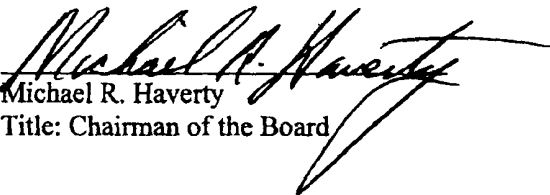
[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

KANSAS CITY SOUTHERN

By: 
Michael R. Haverty
Title: Chairman, President and
Chief Executive Officer

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

By: 
Michael R. Haverty
Title: Chairman of the Board

NORFOLK SOUTHERN CORPORATION

By: _____
Name:
Title:

**THE ALABAMA GREAT SOUTHERN
RAILROAD COMPANY**

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

KANSAS CITY SOUTHERN

By: _____

Name: Michael R. Haverty

Title: Chairman, President and
Chief Executive Officer

**THE KANSAS CITY SOUTHERN
RAILWAY COMPANY**

By: _____

Name: Michael R. Haverty

Title: Chairman of the Board

**NORFOLK SOUTHERN
CORPORATION**

By: C. W. Moorman

Name: C. W. Moorman

Title: President and Chief Executive
Officer

**THE ALABAMA GREAT SOUTHERN
RAILROAD COMPANY**

By: James A. Squires

Name: James A. Squires

Title: Vice President

Schedule 2.1(a)

1. Calculation of NS Interest. On the Closing Date and each Anniversary Date (each, an "Issuance Date"), KCS and NS shall cause the Company to issue and sell to AGS, and NS shall cause AGS to purchase from the Company, in exchange for cash consideration in an amount equal to the Capital Contribution Amount calculated in respect of such Issuance Date (in each case, the "NS Consideration" and, together with any NS Consideration previously paid to the Company in accordance with Sections 2.1(a) and 2.1(b), the "Aggregate NS Consideration") set forth in the applicable Officer's Certificate, a membership interest in the Company such that, upon the issuance thereof, the NS Interest will be a percentage equal to the quotient, rounded to four decimal places, of (a) the Aggregate NS Consideration, divided by (b) \$1,000,000,000; it being understood that the Aggregate NS Consideration shall in no event exceed \$300,000,000.
2. Calculation of KCS Interest. On each Issuance Date, KCS' percentage interest in the Company will be adjusted to be equal to (1) 100% less (2) the NS Interest.
3. Adjustment of Capital Accounts. The Capital Accounts (as such term is defined in the Company Agreement) of the NS Member (as such term is defined in the Company Agreement) will be established (in the case of the Closing Date) or adjusted on a dollar-for-dollar basis in accordance with Section 2.2 of the Company Agreement to reflect each payment of NS Consideration pursuant to Section 1 of this Schedule 2.1(a).

AMENDMENT NO. 1 TO TRANSACTION AGREEMENT

THIS AMENDMENT NO. 1 TO TRANSACTION AGREEMENT (this "Amendment"), is made and entered into as of January 17, 2006, by and among KANSAS CITY SOUTHERN, a Delaware corporation ("KCS"), THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation ("KCSR"), NORFOLK SOUTHERN CORPORATION, a Virginia corporation ("NS"), and THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY, an Alabama corporation and Subsidiary of NS ("AGS"), with reference to the following facts:

A. KCS, KCSR, NS and AGS are parties to that certain Transaction Agreement entered into as of December 1, 2005 (the "Transaction Agreement"), pursuant to the terms of which the parties thereto have agreed to form a joint venture for purposes of owning and operating certain Assets.

B. The Transaction Agreement and the related Company Agreement to be entered into at Closing contemplated that KCS will make certain capital improvements to the Line after the Closing and NS has agreed to contribute certain amounts to the Company, among other things, to pay for such improvements.

C. KCS has determined those capital improvements to the Line set forth on Exhibit D of the Company Agreement will be undertaken in advance of the Closing as part of its 2006 infrastructure program and irrespective of the transaction among the parties to the Transaction Agreement. The parties have determined that it is in the best interest of all parties for KCS to begin making such capital improvements to the Line prior to the Closing. Further, the parties have determined that, should all Required Governmental Consents be obtained, including the approval of the United States Surface Transportation Board, these capital projects should be eligible to be reimbursed from the proceeds of the transactions contemplated by the Transaction Agreement. In order to do so, the Transaction Agreement and the form of Company Agreement attached as Exhibit A hereto must each be amended such that KCS will be reimbursed by the Company following Closing for making such capital improvements to the Line prior to Closing.

NOW, THEREFORE, with reference to the foregoing facts and in consideration of the mutual agreements and understanding set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Defined Terms.

Capitalized terms used herein but not otherwise defined herein shall have the meaning assigned to such terms in the Transaction Agreement.

2. Amendments.

2.1 Section 1 of the Transaction Agreement is hereby amended by inserting the following new definitions therein in the appropriate alphabetical order:

"Budget" shall have the meaning given to that term in the Company Agreement.

"Business Plan" shall have the meaning given to that term in the Company Agreement.

"Fiscal Year" shall have the meaning given to that term in the Company Agreement.

"Pre-Closing Capital Expenditures" shall have the meaning given to that term in the Company Agreement.

2.2 Section 2.2 of the Transaction Agreement is hereby amended by deleting the first and second sentences thereof and inserting in lieu thereof the following two new sentences:

"KCS and NS shall cause the Company to use \$260,000,000 (less any Pre-Closing Capital Expenditures for which the Company reimburses KCS pursuant to clause (b) of the following sentence) of the proceeds from the sale of the NS Interest plus any interest earned thereon from time to time (the "Capital Proceeds") for the capital expenditures anticipated to be made in accordance with the Company Agreement and the Budgets (including any Rollover Budgets) and Business Plans (as each such term is defined in the Company Agreement) for the Company contemplated thereby. KCS and NS shall cause at Closing (a) up to \$40,000,000 of the proceeds from the sale of the NS Interest to be paid to reimburse KCS for capital expenditures other than Pre-Closing Capital Expenditures made by KCS on the Line within the two-year period ending on the Closing Date (none of which shall have been made in anticipation of this Agreement) as presented on a schedule delivered to NS prior to the Closing Date, which schedule shall be final and binding on NS if it accurately sets forth expenditures made in accordance with the principles expressed in this sentence (the difference between \$40,000,000 and such reimbursement shall be the "Excess Proceeds"), (b) up to \$20,000,000 of the proceeds from the sale of the NS Interest equal to the Pre-Closing Capital Expenditures to be paid to reimburse KCS for Pre-Closing Capital Expenditures made by KCS prior to the Closing Date in respect of the Proposed Capital Projects listed in Exhibit D to the Company Agreement as set forth in the Company Agreement, the Budget for the first Fiscal Year and the Business Plan for the first Fiscal Year, which amount shall be presented on a schedule delivered to NS prior to the Closing Date, which schedule shall be final and binding on NS if it accurately sets forth expenditures made in accordance with the principles set forth in this sentence, and (c) the Excess Proceeds and any portion of the Capital Proceeds not allocated at such time for capital expenditures in accordance with the then current Budget or any Rollover Budget, as the case may be, and Business Plan (in the aggregate, the "Excess Capital") to be made available by the Company to provide the Partner Financing pursuant to Article 4 below.

2.3 Section 3.1(a) of the Transaction Agreement is hereby amended by deleting the first sentence thereof and inserting in lieu thereof the following new first sentence:

"Subject to the terms and conditions of this Agreement, at the Closing, KCS and KCSR shall, and shall cause their respective Subsidiaries, as applicable, to, transfer, convey, assign and delivery to the Company, all of their respective right, title and interest in the

Assets, free and clear of all Liens other than Permitted Liens, and in exchange for the Assets, KCS and NS shall cause the Company to issue to KCS a membership interest in the Company determined in accordance with Section 2.1(a) (as adjusted pursuant to Section 2.1(b) and together with the Preferred Return, the "KCS Interest").

2.4 Exhibit A to the Transaction Agreement is hereby amended by amending and restating such Exhibit in its entirety to read as set forth on Exhibit A attached hereto.

2.5 Section 8.1 of the Transaction Agreement is hereby amended by inserting the following new third sentence:

"Since the date of its formation, the Company has been a wholly-owned subsidiary of KCS and has not (i) engaged in any business, (ii) conducted any operations, (iii) incurred any liabilities or (iv) entered into any agreements or arrangements, other than, in each case, in connection with the letter agreement by and between KCS and NS dated January 17, 2006, this Agreement and the transactions contemplated by this Agreement."

3. Limitation of Amendments.

The amendments set forth in Section 2 above are effective for the purposes set forth herein and will be limited precisely as written and will not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of the Transaction Agreement, (b) otherwise prejudice any right or remedy that any party to the Transaction Agreement may now have or may have in the future under or on in connection with the Transaction Agreement, or (c) be a consent to any future amendment, waiver or modification of any other term or condition of the Transaction Agreement.

4. Entire Agreement.

This Amendment, together with the Transaction Agreement, the Company Agreement, the Ancillary Agreements and the Confidentiality Agreement, in each case including any attached exhibits and schedules, contain the sole and entire agreement and understanding of the parties with respect to the entire subject matter contained herein and therein, and any and all prior discussions, negotiations, commitments and understandings, whether oral or otherwise, related to the subject matter contained herein and therein are hereby merged herein and therein. Nothing in this amendment, express or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies under or by way of this Amendment.

5. Assignment.

No party may assign its rights or obligations under this Amendment, and any attempted or purported assignment or any delegation of any party's duties or obligations arising under this Amendment to any third party or entity shall be deemed to be null and void, and shall constitute a material breach by such party of its duties and obligations under this Amendment; provided that NS may assign its rights to any wholly-owned Subsidiary of NS.

6. Governing Law

THE LAWS OF THE STATE OF DELAWARE SHALL GOVERN THE VALIDITY OF THIS AMENDMENT, THE CONSTRUCTION OF ITS TERMS AND THE INTERPRETATION OF THE RIGHTS AND DUTIES ARISING HEREUNDER.

7. Severability.

Whenever possible each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Amendment shall be or become prohibited or invalid under applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Amendment.

8. Captions.

The various captions of this Amendment are for reference only and shall not be considered or referred to in resolving questions of interpretation of this Amendment.

9. Counterparts.

This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

10. Judicial Interpretation

Should any provision of this Amendment require judicial interpretation, it is agreed that a court or other tribunal, as described in Section 14.13 of the Transaction Agreement, interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any Person by reason of the rule of construction that a document is to be construed more strictly against the Person who itself or through its agent prepared the same, it being agreed that all parties have participated in the preparation of this Amendment.

11. Dispute Resolution.

Each of the parties hereto stipulates and agrees that the dispute resolution procedures set forth in Section 14.13 of the Transaction Agreement shall apply to any dispute, controversy or claim arising out of or relating to this Amendment or the breach, termination or validity thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Transaction Agreement as of the date first above written.

KANSAS CITY SOUTHERN

By: _____
Name: Michael R. Haverty
Title: Chairman, President and
Chief Executive Officer

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

By: _____
Name: Michael R. Haverty
Title: Chairman of the Board

NORFOLK SOUTHERN CORPORATION

By: _____
Name: Kathryn B. McQuade
Title: Executive Vice President Planning and
Chief Information Officer

**THE ALABAMA GREAT SOUTHERN
RAILROAD COMPANY**

By: _____
Name: James A. Squires
Title: Vice President

EXHIBIT A
COMPANY AGREEMENT

[See Attached]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Transaction Agreement as of the date first above written.

KANSAS CITY SOUTHERN

By: Michael R. Haverty
Name: Michael R. Haverty
Title: Chairman, President and
Chief Executive Officer

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

By: Michael R. Haverty
Name: Michael R. Haverty
Title: Chairman of the Board

NORFOLK SOUTHERN CORPORATION

By: _____
Name: C. W. Moorman
Title: President and Chief Executive
Officer

**THE ALABAMA GREAT SOUTHERN
RAILROAD COMPANY**

By: _____
Name: James A. Squires
Title: Vice President

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Transaction Agreement as of the date first above written.

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By: _____
Name: Michael R. Haverty
Title: Chairman, President and
Chief Executive Officer

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COMPANY**

By: _____
Name: Michael R. Haverty
Title: Chairman of the Board

NORFOLK SOUTHERN CORPORATION

By: Kathryn B. McQuade
Name: Kathryn B. McQuade
Title: Executive Vice President Planning and
Chief Information Officer

**THE ALABAMA GREAT SOUTHERN
RAILROAD COMPANY**

By: James A. Squires
Name: James A. Squires
Title: Vice President

A

REDACTED

EXHIBIT A

LIMITED LIABILITY
COMPANY AGREEMENT
OF
MERIDIAN SPEEDWAY, LLC

BY AND BETWEEN
THE ALABAMA GREAT SOUTHERN RAILROAD COMPANY
AND
KANSAS CITY SOUTHERN
AS OF

[], 2006

REDACTED

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REDACTED

LIMITED LIABILITY COMPANY AGREEMENT
OF
MERIDIAN SPEEDWAY, LLC

This Limited Liability Company Agreement (this "Agreement") of Meridian Speedway, LLC, a Delaware limited liability company (the "Company"), is entered into pursuant to and in accordance with the Delaware Limited Liability Company Act (the "Act") and shall be effective as of [], 2006, by and between The Alabama Great Southern Railroad Company, an Alabama corporation and a wholly-owned subsidiary of NSR (as defined herein) (such corporation or any Permitted Transferee thereof, the "NS Member"), and Kansas City Southern, a Delaware corporation ("KCS" and, together with any Permitted Transferee thereof, the "KCS Member"), as the Members pursuant to the provisions of the Act.

WHEREAS, KCS, The Kansas City Southern Railway Company, a Missouri corporation and a wholly-owned subsidiary of KCS ("KCSR"), the NS Member and Norfolk Southern Corporation, a Virginia corporation and the ultimate parent of the NS Member (the "NS Parent") have entered into a Transaction Agreement (the "Transaction Agreement"), dated as of December 1, 2005, which provides, among other things for the KCS Member to contribute the railroad line between Meridian, Mississippi and Shreveport, Louisiana (the "Line") and certain other related assets (together with the Line, the "Assets"). in each case described in Schedule 1.1 to the Transaction Agreement. to the Company and for the NS Parent to cause the NS Member to make capital contributions to the Company as determined in accordance with Schedule 2.1(a) to the Transaction Agreement. in each case. in accordance with the provisions thereof:

WHEREAS, by executing this Agreement and the related Certificate of Formation and filing the Certificate of Formation with the Secretary of State of the State of Delaware, the parties hereto are hereby and thereby forming the Company; and

WHEREAS, the parties hereto desire to enter into this Agreement to set forth their rights and obligations as members of the Company.

NOW, THEREFORE, in consideration of the foregoing facts and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

DEFINITIONS

Capitalized words and phrases used in this Agreement have the following meanings:

"AAA" means the American Arbitration Association.

"Acceptance Agreement" shall have the meaning set forth in Section 10.2(d).

"Acceptance Period" shall have the meaning set forth in Section 10.2(c).

REDACTED

"Accumulated Preference" means, with respect to a Member with a Preferred Return, such Member's Preferred Return Amount accrued in the aggregate.

"Act" shall have the meaning set forth in the preamble.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is deemed to be obligated to restore pursuant to the penultimate sentences in Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Affiliate" means, with respect to any specified Person, (i) any other Person who, directly or indirectly, controls, is under common control with, or is controlled by, such specified Person, (ii) any other Person who is a director, officer, manager, member, partner or trustee of the specified Person or a Person described in clause (i) of this definition or any spouse of the specified Person or any such other Person, (iii) any relative of the specified Person or any other Person described in clause (ii) of this definition, or (iv) any Person of which the specified Person and/or any one or more of the Persons specified in clause (i), (ii) or (iii) of this definition, individually or in the aggregate, beneficially own 10% or more of any class of Voting Securities.

"Agreement" shall have the meaning set forth in the Preamble. Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires.

"Assets" shall have the meaning set forth in the Preamble.

"Auditors" means the independent registered public accounting firm from time to time engaged by the Company to audit its financial statements and results of operations. The Auditors shall initially be KPMG, until changed either (i) by mutual agreement of the parties or (ii) upon receipt by the Company of a written request of the NS Member for the replacement of the initial Auditors. Successor Auditors shall be appointed by the Management Committee in accordance with Section 5.6.

"Bankruptcy" means, with respect to any Person, a Voluntary Bankruptcy or an Involuntary Bankruptcy (as each such term is defined herein).

"Budget" shall have the meaning set forth in Section 5.7(a).

REDACTED

"Business" means the business conducted by the Company, including owning, managing and maintaining the Assets, and making certain capital improvements to the same, and performing certain haulage and other freight railroad transportation services, generally as a private carrier.

"business condition" of any Person means the financial condition, results of operations, business or properties of such Person.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City.

"Business Plan" shall have the meaning set forth in Section 5.7(a).

"Capacity Improvement Project" means a construction project effectuated as described in Section 5.12.

"Capital Account" means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited (1) such Member's Capital Contributions, (2) such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.3 and (3) the amount of any Company liabilities assumed by such Member or which are secured by any Property distributed to such Member. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Member related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

(b) To each Member's Capital Account there shall be debited (1) the amount of money and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (2) such Member's distributive share of Losses and any items in the nature of expenses, deductions or losses which are specially allocated pursuant to Section 3.3 and (3) the amount of any liabilities of such Member assumed by the Company or which are secured by any Property contributed by such Member to the Company.

(c) In the event a Membership Interest is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Membership Interest.

(d) In determining the amount of any liability for purposes of subparagraphs (a) and (b) above, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-

REDACTED

1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Management Committee shall determine that it is prudent to modify the manner in which the Capital Accounts or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Members), are computed in order to comply with such Regulations, the Management Committee may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Person pursuant to Section 11 upon the dissolution of the Company. The Management Committee also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q) and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

"Capital Contribution" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any Property (other than money) contributed to the Company with respect to the Membership Interest in the Company held or purchased by such Member.

"Capital Improvement Agreement" means any agreement entered into between the Company and the KCS Member whereby the KCS Member or its subsidiaries will effect the Capital Projects on behalf of the Company.

"Capital Project Process" shall have the meaning set forth in Section 5.3(b).

"Capital Project" means those capital expenditures relating to the Line as set forth in the Budgets (including any Rollover Budgets) approved in accordance with this Agreement or Business Plan.

"Capital Recovery Book Items" means (i) Depreciation attributable to the Assets and attributable to the first \$260,000,000 of Capital Projects to the extent such \$260,000,000 is not allowed as a deductible expense for federal income-tax purposes, and (ii) expenses attributable to the first \$260,000,000 of Capital Projects allowed as a deductible expense for federal income-tax purposes. Notwithstanding the foregoing, the \$260,000,000 amount shall be adjusted downward for any Pre-Closing Capital Expenditures for which the KCS Member is reimbursed by the Company pursuant to Section 2.4(b) and for which the KCS Member, not the Company, is allowed to claim a deduction on its federal income tax return(s).

"Capital Recovery Tax Deductions" means expenses, depreciation, amortization, and other cost recovery deductions attributable solely to Capital Projects and Assets that are allowed as a deduction for federal income-tax purposes.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware pursuant to the Act to form the Company, as originally executed and amended, modified, supplemented or restated from time to time, as the context requires.

"Claims" shall have the meaning set forth in Section 5.9(a).

REDACTED

"Closing Date" shall be the date the initial Capital Contributions are made under Section 2.1(a).

"CN Jackson Trackage Rights" means the trackage rights granted with respect to the approximately four-tenths of a mile section of track in Jackson, Mississippi pursuant to the trackage rights agreement between Midsouth Rail Corporation and Illinois Central Gulf Railroad Company, dated March 26, 1986, as supplemented and amended through the date of the Transaction Agreement.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time.

"Committee Representative" at any time means each of the individuals then appointed by the Members to and serving as a member of the Management Committee, or their alternates, as provided in Section 5.

"Company" means the limited liability company formed pursuant to this Agreement and the Certificate of Formation and the limited liability company continuing the business of this Company in the event of dissolution of the Company as herein provided.

"Company Minimum Gain" has the same meaning as the term, "partnership minimum gain," in Regulations Section 1.704-2(b)(2) and 1.704-2(d).

"Dallas Intermodal Terminal Traffic" means all domestic intermodal containers or trailers with an origin and destination in the United States, with a lift or drop at the KCS Member's Dallas Intermodal Terminal, that moves over the Line and over KCSR's tracks between Shreveport and the KCS Member's Dallas Intermodal Terminal, and that originates or terminates at or east of Meridian, and that originates or terminates at or west of the Dallas / Ft. Worth, TX. Standard Metropolitan Statistical Area (SMSA) as published by the Office of Management and Budget (OMB).

"Dallas Terminal Marketing Agreement" means the Marketing Agreement, dated the date hereof, by and among KCSR and NSR.

"Damages" shall have the meaning set forth in Section 10.2(b).

"Default Sale Notice" shall have the meaning set forth in Section 10.2(c).

"Delaware Courts" shall have the meaning set forth in Section 12.13.

"Deemed Distribution Amount" shall have the meaning set forth in Section 4.7.

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such

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beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Management Committee.

"Dispute" shall have the meaning set forth in Section 12.14.

"Dissolution Event" shall have the meaning set forth in Section 11.1.

"Exchange Act" means the Securities Exchange Act of 1934.

"Excess Proceeds" shall have the meaning given to that term in the Transaction Agreement.

"Fair Value" means the fair market value as determined by unanimous mutual agreement reached by the Members, or in the event the Members are unable to agree, as determined by an independent investment banking firm or firms or, in the case of any asset or other item not customarily valued by an investment banking firm, a qualified independent appraiser of the type customarily engaged in the valuation thereof (a "Qualified Appraiser"), in accordance with the following procedure. In the case of any event which gives rise to a requirement to determine "Fair Value" hereunder, the Management Committee shall be responsible for initiating the process by which Fair Value shall be determined as promptly as practicable, but in any event within twenty (20) days following such event and if the procedures contemplated herein in connection with determining Fair Value have not been complied with fully, then any such determination of Fair Value for any purpose hereunder shall be deemed to be preliminary and subject to adjustment pending full compliance with such procedures. Upon the occurrence of an event requiring the determination of Fair Value, the Management Committee shall give each Member notice of such event, and the Members shall engage in direct good faith discussions to arrive at a mutually agreeable determination of Fair Value. In the event the Members are unable to arrive at a mutually agreeable determination within thirty (30) days of the notice, an independent investment banking firm of national standing or Qualified Appraiser of national standing, as the case may be, selected by unanimous agreement of the Members shall make such determination and render such opinion. The determination so made shall be conclusive and binding on the Members. The fees and expenses of the investment banking firm or Qualified Appraiser retained for such purpose shall be paid by the Company.

"Fiscal Quarter" means any of the following:

- (a) the period commencing on the date hereof and ending on the earliest to follow the Closing Date of March 31, June 30 and September 30 of the year in which the Closing Date occurs,
- (b) any subsequent three (3) month period commencing on each of January 1, April 1, July 1 and October 1 and ending on the last date before the next such date, and
- (c) the period commencing on the immediately preceding January 1, April 1, July 1, or October 1, as the case may be, and ending on the date on which all Property is distributed to the Members pursuant to Section 11.

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"Fiscal Year" means any of the following:

- (a) the period commencing on the date hereof and ending on December 31 of the year in which the Closing Date occurs,
- (b) any subsequent twelve (12) month period commencing on January 1, and
- (c) the period commencing on the immediately preceding January 1, and ending on the date on which all Property is distributed to the Members pursuant to Section 11.

"Freight Rail Common Carrier" shall mean KCSR, NSR, or such other freight rail common carrier that the Company, in accordance with the Agreement, admits to the entirety or any portion of the Line by way of haulage or trackage rights.

"GAAP" means generally accepted accounting principles as in effect in the United States of America, consistently applied.

"Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of contribution as determined by the Management Committee.

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as determined by the Management Committee as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), provided that an adjustment described in clauses (A) and (B) of this paragraph shall be made only if the Management Committee reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company.

(c) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as determined by the Management Committee.

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted tax basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)-(2)(iv)(m) and subparagraph (f) of the definition of "Profits" and "Losses": provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (c) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

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If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (a), (b) or (c), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"Indemnified Parties" shall have the meaning set forth in Section 10.2(f).

"Indemnified Persons" shall have the meaning set forth in Section 5.9.

"Indentures" means, collectively, the Indenture, dated as of September 27, 2000, among KCSR, KCS, certain subsidiaries of KCS and The Bank of New York, as trustee, governing the terms of KCS' 9½% Senior Notes due 2008 and the Indenture, dated as of June 12, 2002, among KCSR, KCS, certain subsidiaries of KCS and U.S. Bank National Association, as trustee, governing the terms of KCS' 7½% Senior Notes due 2009, as they may be amended from time to time.

"Investment Policies" shall have the meaning set forth in Section 5.7(b).

"Involuntary Bankruptcy" means, with respect to any Person, without the consent or acquiescence of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation, or the filing of any such petition against such Person which petition shall not be dismissed within ninety (90) days, or without the consent or acquiescence of such Person, the entering of any order appointing a trustee, custodian, receiver or liquidator of such Person or of all or any substantial part of the Property of such Person which order shall not be dismissed within ninety (90) days.

"Issuance Items" shall have the meaning set forth in Section 3.3(j).

"Items" shall have the meaning set forth in Section 3.4.

"Jackson Assignment Agreement" means the Jackson Assignment Agreement, dated the date hereof, by and between KCSR and the Company.

"Jackson Flyover" shall have the meaning set forth in the Transaction Agreement.

"JV Transaction Agreements" means, collectively, (i) the Transaction Agreement, (ii) the Operating Agreement, (iii) the NSR Joint Use Agreement, (iv) the Western Haulage Agreement (v) the KCSR Joint Use Agreement, (vi) the KCSR Master Interchange Agreement, (vii) the Unified Assignment and Assumption Agreement, (viii) the Omnibus Bill of Sale, (ix) the Unified Liability Agreement, (x) the Dallas Terminal Marketing Agreement, (xi) one or more Notes, (xii) the Jackson Assignment Agreement, (xiii) the Vicksburg Assignment Agreement, (xiv) the Access Agreement and (xv) the NSR-KCSR Haulage Agreement.

"KCS" shall have the meaning set forth in the Preamble.

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"KCS Member" shall have the meaning set forth in the Preamble.

"KCSR" shall have the meaning set forth in the Preamble.

"KCSR Joint Use Agreement" shall mean the The Kansas City Southern Railway Company -- Meridian Speedway, LLC Joint Use Agreement, dated as of the date hereof, by and among NSR, KCSR and the Company.

"KCSR Master Interchange Agreement" means the Master Interchange Agreement, dated the date hereof, by and between KCSR and the Company.

"Line" shall have the meaning set forth in the Preamble.

"Line Option Call Agreement" shall have the meaning set forth in Section 9.8(b).

"Line Option Call Closing" shall have the meaning set forth in Section 9.8(b).

"Line Option Call Closing Date" shall have the meaning set forth in Section 9.8(b).

"Line Option Call Right" shall have the meaning set forth in Section 9.8.

"Liquidation Period" shall have the meaning set forth in Section 11.7.

"Liquidator" shall have the meaning set forth in Section 11.9(a).

"Local Train Starts" shall have the meaning set forth in Section 5.12(a).

"Losses" shall have the meaning set forth in the definition of "Profits."

"Major Decisions" means taking any of the following actions, notwithstanding any other provisions of the Transaction Agreement or this Agreement:

(i) Repealing, modifying or amending this Agreement or any of the JV Transaction Agreements to which the Company is a party, or waiving compliance with any provision of this Agreement or any of the JV Transaction Agreements to which the Company is a party;

(ii) Repealing, modifying or amending the Investment Policies;

(iii) Entering into any agreement with respect to or consummating any (A) acquisition, divestiture, spin-off, merger, consolidation, business combination or similar transaction involving equity interests or assets of the Company, (B) sale, transfer, lease, sublease, license or other disposition of any property or asset to a third party other than in the ordinary course of business, or (C) formation of, investment of the funds or assets of the Company in or other participation in any joint venture or partnership; provided, that, prior to the Maturity Date, the foregoing shall not apply to any Permitted Asset Transfer;

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(iv) Entering into any transactions with any Member or any Affiliate of any Member (including any Capital Improvement Agreements), other than the distributions contemplated in Section 2.4(b) or Section 4 or pursuant to the JV Transaction Agreements; provided, that, prior to the Maturity Date, the foregoing shall not apply to any Permitted Asset Transfer or any Permitted Indebtedness;

(v) Approving the Budget or the Business Plan or any changes in, amendments to or deviations from, the Budget (including any Rollover Budget) or the Business Plan; provided, however, that no Committee Representative designated by the NS Member shall unreasonably withhold such Committee Representative's approval of any changes in, amendments to or deviations from, the Budget (including any Rollover Budget) or the Business Plan proposed by the KCS Member in respect of any agreed Capital Project in light of then-current business conditions and traffic patterns relating to the Line and in the event the Management Committee cannot agree on (A) a Capital Project, the Management Committee shall accept the recommendation of the Capital Project Committee, made in accordance with the Capital Project Process, with respect to such Capital Project or (B) the Budget, the prior year's budget shall roll forward as provided in Section 5.7(a);

(vi) Appointing, setting the rate of compensation of, approving bonuses for, or terminating any employees or Officers of the Company, if any;

(vii) Approving any change in the number of members of the Management Committee;

(viii) After the Maturity Date, declaring, making or paying any dividend or any other distribution (whether in cash, securities or other property) on any equity interests of the Company, other than the distributions contemplated in Section 4;

(ix) Incurring any indebtedness, guarantee or lien or making any loans (including any Notes), advances or capital contributions to, or investments in, any Person, except (A) as provided in the Budget or Rollover Budget and (B) purchase money financing of assets used in the conduct of the business of the Company; provided, that, prior to the Maturity Date, the foregoing shall not apply to any Permitted Indebtedness;

(x) Creating any employee equity option, structured equity, employee stock option plan or other similar plan, making any grants under any such plan or materially modifying any employee benefit plan;

(xi) Requiring any Capital Contribution beyond those contributions specified in this Agreement, the JV Transaction Agreements and any Budget (including any Rollover Budget) adopted pursuant to the terms of this Agreement;

(xii) Initiating or consenting to the filing of any petition to place the Company in insolvency, bankruptcy or similar proceedings;

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- (xiii) Admitting new Members to the Company (other than to effect a Permitted Transfer);
- (xiv) Approving any changes in the Percentage Interests of the Members other than to effect a Permitted Transfer, to approve the redemption of the Preferred Return or as contemplated by Section 2.3(a);
- (xv) Commencing, settling or disposing of any litigation against the Company or any of its assets or properties, except any settlement or disposition not exceeding [];
- (xvi) Entering into any agreement, license, program or arrangement pursuant to which the Company is obligated to make or receive payments or forgive debt, or amending, terminating or failing to renew any such contract other than those specified in the Budget (including any Rollover Budget);
- (xvii) Approving the formation and composition of any committees of the Management Committee and the formation and composition of the boards or equivalent governing bodies of any subsidiary of the Company;
- (xviii) Making any material change in the Company's accounting practices or policies (other than as required by GAAP) or any change in the Auditors;
- (xix) Taking any of the actions set forth in clauses (i) through (xviii) above with respect to any entity of which the Company owns, directly or indirectly, securities or other ownership interests having the power to elect a majority of the board of directors or other persons performing similar functions, or otherwise having the power to direct, manage or control the conduct of business of such entity or otherwise owning at least ten percent (10%) of the outstanding ownership interests of such entity;
- (xx) Making operating expenses or capital expenditures beyond those contained in the Budget (including any Rollover Budget);
- (xxi) Entering into an agreement, program or other arrangement pursuant to which the Company grants or provides to any Person any operating, haulage, trackage or any other rights (A) to move NS Traffic or Dallas Intermodal Terminal Traffic or (B) that allow a third party access over the Line, other than rights pursuant to agreements that meet the standards set forth in Exhibit A attached hereto;
- (xxii) Accepting an active common carrier obligation or moving rail traffic in its own name and on its own behalf; or
- (xxiii) Permitting any Freight Rail Common Carrier to perform haulage for any rail carrier, whether such Freight Rail Common Carrier is operating over the Line in haulage or on trackage rights.

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"Management Committee" shall have the meaning set forth in Section 5.2(a).

"Maturity Date" means the earlier to occur of (i) the retirement of the KCS Member's 9½% Senior Notes due 2009 and (ii) the date on which Section 4.05 (or any equivalent provision of the Indentures) of both of the Indentures is no longer applicable to the Company.

"Members" means the Persons (i) who are referred to as such in the opening paragraph of this Agreement or who have become a new or substituted Member by acquisition of a Membership Interest pursuant to the terms of this Agreement and (ii) who have not ceased to be a Member.

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" in Section 1.704-2(b)(4) of the Regulations.

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

"Membership Interest" means an ownership interest in the Company or any portion of or interest in such interest, including any and all benefits to which the holder of such interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

"Net Cash Flow" means for any period the gross cash proceeds of the Company for such period (excluding Capital Contributions) less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the Management Committee. "Net Cash Flow" shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established pursuant to the first sentence of this definition.

"New Overhead Train Starts" shall have the meaning set forth in Section 5.12(a).

"Nonrecourse Deductions" shall have the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

"Nonrecourse Liability" shall have the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

"Non-Sponsoring Member" shall have the meaning set forth in Section 5.12(d).

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"Note" means any note evidencing indebtedness of the KCS Member or the NS Member to the Company entered into in accordance with Section 4 of the Transaction Agreement.

"Notice" shall have the meaning set forth in Section 12.14.

"NS Member" shall have the meaning set forth in the Preamble.

"NS Parent" shall have the meaning set forth in the Preamble.

"NS Traffic" means all intermodal traffic moving on the Line that (a) originates or terminates in the United States at or east of Meridian, Mississippi and enters or exits the Line at Meridian, Mississippi, (b) originates or terminates in the United States west of Fort Worth, Texas (including intermodal traffic originating by steamship line at a port along the west coast of the United States) and enters or exits the Line at Shreveport, Louisiana and (c) does not consist of traffic originating or terminating at any station on the KCSR system (including any station where KCSR or the Texas Mexican Railway Company have trackage rights or access via reciprocal switch), as it exists on the date of the Transaction Agreement.

"NSR" means Norfolk Southern Railway Company, a Virginia corporation and an operating subsidiary of the NS Parent.

"NSR Joint Use Agreement" shall mean the Norfolk Southern Railway Company – Meridian Speedway, LLC Joint Use Agreement, dated as of the date hereof, by and between NSR, KCSR and the Company.

"NSR-KCSR Haulage Agreement" shall mean the Haulage Agreement, dated as of the date hereof, by and between NSR and KCSR.

"Officers" means Persons designated as officers of the Company by the Management Committee for so long as any such Person remains an Officer in accordance with the terms of this Agreement.

"Operating Agreement" shall mean the Operating Agreement, dated as of the date hereof, by and between KCSR and the Company.

"Omnibus Bill of Sale" means the Bill of Sale, dated the date hereof, by KCS and KCSR.

"Percentage Interest" means, with respect to any Member as of any date, the Percentage Interest opposite the name of each Member set forth on Exhibit C to this Agreement, which shall be maintained by the Company and updated from time to time as appropriate after the date hereof, including on the contribution by the NS Member of the amount described in Section 2.1(b) of the Transaction Agreement.

"Permitted Asset Transfer" means any non-cash transfer of the property or assets of the Company to the KCS Member or any Restricted Subsidiary (as such term is defined in the Indentures) thereof.

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"Permitted Indebtedness" means any loans or advances by the Company to the KCS Member or any Restricted Subsidiary (as such term is defined in the Indentures) thereof.

"Permitted Transfer" shall have the meaning set forth in Section 9.2.

"Permitted Transferees" means a transferee pursuant to a Permitted Transfer.

"Person" means an individual or a partnership, corporation, trust, association, limited liability company or other entity.

"Pre-Closing Capital Expenditures" means those expenditures for Proposed Capital Projects listed in Exhibit D and made by the KCS Member prior to the Closing Date in accordance with Section 2.4(b).

"Preferred Return" means, with respect to the initial Capital Contribution made by the KCS Member, a preferential interest in the Company granted to such Member commencing on the date of this Agreement, having an initial agreed value equal to the amount of Excess Proceeds and entitling such member to certain rights as provided under the Agreement. The initial agreed value and commencement date of any other Preferred Return granted to a Member shall be as unanimously agreed by the Members at or prior to the time such Member shall make a Capital Contribution in exchange for such Preferred Return. A Member's Preferred Return shall be considered outstanding so long as such Member's Preferred Return Amount is greater than zero.

"Preferred Return Amount" means, with respect to the Preferred Return in connection with the Initial Capital Contribution made by the KCS Member, an amount computed at an interest rate equal to the sum of the 10-year U.S. Treasury Bond rate plus 50 basis points, compounded annually, and determined as of the date of the initial Capital Contribution made by the KCS Member (in all other cases determined as of the date the Company grants a Preferred Return to a Member) multiplied by the Preferred Return.

"Profits" and "Losses" means, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, deduction or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such

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adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustments shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits and Losses; and

(g) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 3.3 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, deduction or credit available to be specially allocated pursuant to Section 3.3 shall be determined by applying the rules analogous to those set forth in subparagraphs (a) through (g) above.

"Property" means all real and personal property acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"Proposed Capital Projects" means those capital expenditures anticipated to be constructed over the four (4) year period commencing on the date hereof, as identified more specifically in Exhibit B.

"Regulations" means the Treasury Regulations, including temporary and proposed Regulations, promulgated under the Code, as such regulations are amended from time to time.

"Review Information" shall have the meaning set forth in Section 7.2(c)(i).

"Review Period" shall have the meaning set forth in Section 7.2(c)(i).

"Rollover Budget" shall have the meaning set forth in Section 5.7(a).

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"Rules" shall have the meaning set forth in Section 12.14.

"Securities Act" means the Securities Act of 1933.

"Sponsoring Member" shall have the meaning set forth in Section 5.12(a).

"Tax Matters Partner" shall have the meaning set forth in Section 7.3(d).

"Transaction Agreement" shall have the meaning set forth in the preamble.

"Transfer" means, as a noun, any voluntary or involuntary transfer, distribution, sale, pledge, assignment or hypothecation or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, assign or hypothecate or otherwise dispose of.

"Unified Assignment and Assumption Agreement" means the Assignment and Assumption Agreement, dated the date hereof, by and between KCS, KCSR and the Company.

"Unified Liability Agreement" means the Unified Liability Agreement, dated the date hereof, by and among NSR, KCSR and the Company.

"Vicksburg Assignment Agreement" means the Vicksburg Assignment Agreement, dated the date hereof, by and between KCSR and the Company.

"Voluntary Bankruptcy" means, with respect to any Person, any of the following:

(a) the inability of such Person generally to pay its debts as such debts become due, or an admission in writing by such Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors.

(b) the filing of any petition or answer by such Person seeking to adjudicate itself as bankruptcy or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Person or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for such Person or for any substantial part of its Property, or

(c) corporate action taken by such Person to authorize any of the actions set forth above.

"Voting Securities" shall mean any securities of any Person which vote generally in the election of directors.

"Western Haulage Agreement" means the Western Haulage Agreement, dated as of the date hereof, by and between NSR and KCSR.

"Wholly-Owned Affiliate" of any Person means an Affiliate of such Person:

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(a) one hundred percent (100%) of the voting stock or beneficial ownership of which is owned by such Person, or by any Person who, directly or indirectly, owns one hundred percent (100%) of the voting stock or beneficial ownership of such Person,

(b) an Affiliate of such Person who, directly or indirectly, owns one hundred percent (100%) of the voting stock or beneficial ownership of such Person, and

(c) any Wholly-Owned Affiliate of any Affiliate described in clause (a) or clause (b).

SECTION 1 THE COMPANY

1.1 Formation and Continuation. The Members hereby agree to organize the Company as a limited liability company under and pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement. The rights and liabilities of the Members shall be as provided under the Act, the Certificate of Formation and this Agreement.

1.2 Name. The name of the Company shall be Meridian Speedway, LLC and all business of the Company shall be conducted in such name or, in the discretion of the Management Committee, under any other name.

1.3 Purpose; Powers.

(a) Generally.

(i) The purpose of the Company is to engage in the Business and in any other lawful activity for which a limited liability company may be organized under the Act.

(ii) The Company has the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or in furtherance of the purposes of the Company set forth in Section 1.3(a) and has, without limitation, any and all powers that may be exercised on behalf of the Company by the Management Committee pursuant to Section 5.

(b) Carrier Status.

(i) Notwithstanding the generality of Section 1.3(a), the Members intend that the Company shall be a rail carrier as that term is defined in 49 U.S.C. § 1010(5) that performs transportation services over the Line as agent for and for the account of a Freight Rail Common Carrier.

(ii) Any rail transportation services shall at all times remain in the waybill, car hire and revenue accounts of a Freight Rail Common Carrier.

(iii) The Company shall not participate or appear in any rates, routes or divisions relating to any freight traffic whatsoever to, from and over the Line,

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and shall not be entitled to or responsible for any freight charges relating to such freight traffic. The Company shall not quote or establish any rate or service terms applicable to freight transportation services to, from or over the Line, enter into any transportation contracts with any persons, provide for freight transportation services to, from or over the Line, or undertake to perform any for-hire transportation services directly, in its own name or for its own account, for any person other than as provided for in the KCSR Joint Use Agreement and the NSR Joint Use Agreement.

1.4 Principal Place of Business, Chief Executive Office and Registered Office.

The principal place of business and chief executive office of the Company shall be located at 427 West 12th Street, Kansas City, Missouri 64105 or in such other place as the Management Committee may determine from time to time. The registered office of the Company in the State of Delaware initially is located at c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

1.5 Term. The term of the Company commenced on the date the Certificate of Formation was filed in the office of the Secretary of State of the State of Delaware in accordance with the Act and shall continue until the winding up and liquidation of the Company and its business is completed following a Dissolution Event, as provided in Section 11.

1.6 Filings: Agent for Service of Process.

(a) The Members shall promptly after the execution of this Agreement cause the Certificate of Formation to be filed in the Office of the Secretary of State of the State of Delaware in accordance with the provisions of the Act. The Management Committee shall take, or cause to be taken, any and all actions reasonably necessary to perfect and maintain the status of the Company as a limited liability company under the laws of the State of Delaware, including the preparation and filing of such amendments to the Certificate of Formation and such other assumed name certificates, documents, instruments and publications as may be required by law, including, without limitation, action to reflect:

(i) A change in the Company name,

(ii) A correction of false or erroneous statements in the Certificate of Formation or the desire of the Members to make a change in any statement therein in order that it shall accurately represent the agreement among the Members, or

(iii) A change in the time for dissolution of the Company if approved by the Members as evidenced by an amendment to this Agreement (approved as provided herein).

(b) The Members and the Management Committee shall execute and cause to be filed original or amended certificates and shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Company as a limited liability company or similar type of entity under the laws of any other jurisdictions in which the Company engages in business.

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(c) The registered agent for service of process on the Company in the State of Delaware shall be The Corporation Trust Company or any successor as appointed by the Members in accordance with the Act.

(d) Upon the dissolution and completion of the winding up and liquidation of the Company in accordance with Section 11, the Management Committee (and, if necessary and requested by the Management Committee, the Members) shall promptly execute and cause to be filed certificates of cancellation, statements of intent to dissolve and articles of dissolution in accordance with the Act and the laws of any other jurisdictions in which the Management Committee deems such filing necessary or advisable.

1.7 Title to Property. All Property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest in such Property in its individual name, and each Member's Membership Interests in the Company shall be personal property for all purposes. At all times after the date hereof, the Company shall hold title to all of its Property in the name of the Company and not in the name of any Member.

1.8 Payments of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company and no asset of the Company shall be Transferred or encumbered for, or in payment of, any individual obligation of any Member.

SECTION 2 MEMBERS' CAPITAL CONTRIBUTIONS

2.1 Initial Capital Contributions.

(a) Pursuant to the Transaction Agreement and simultaneously with the execution of this Agreement, (a) the NS Member has made the initial Capital Contribution described in Section 2.1(a) of the Transaction Agreement and (b) the KCS Member has made an initial Capital Contribution of the Assets as described in Section 3.1(a) of the Transaction Agreement.

(b) Pursuant to the Transaction Agreement and simultaneously with the execution of this Agreement, the KCS Member has also contributed or caused to be contributed to the Company, and the Company has assumed, the Assumed Liabilities (as such term is defined in the Transaction Agreement).

2.2 Initial Capital Accounts. The Company shall establish an individual Capital Account for each Member. The Company shall determine and maintain each Capital Account in accordance with Regulations Section 1.704-1(b)(2)(iv). The Capital Accounts of the Members as of the date hereof are as reflected in Exhibit 2.2.

2.3 Additional NS Member Contributions. The NS Member shall make the additional capital contributions to the Company described in Section 2.1 of the Transaction Agreement.

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2.4 Withdrawal and Return of Capital. (a) Except as otherwise provided in this Section 2.4, Section 4 or Section 11, no Member shall withdraw any of its capital without the consent of the other Members, except upon the dissolution or liquidation of the Company to the extent provided in this Agreement. Under circumstances requiring or permitting a return of any Capital Contribution, no Member shall have the right to receive property other than cash except as may be specifically provided herein.

(b) On the Closing Date, the Company shall reimburse the KCS Member for (i) capital expenditures other than Pre-Closing Capital Expenditures, in an amount up to \$40,000,000 in the aggregate, that the KCS Member made to the Assets within the two-year period ending on the Closing Date in accordance with Section 2.2 of the Transaction Agreement and (ii) Pre-Closing Capital Expenditures in respect of Proposed Capital Projects listed in Exhibit D hereto in an amount up to \$20,000,000 in the aggregate made by the KCS Member prior to the Closing Date as set forth in this Agreement, the Budget for the first Fiscal Year, the Business Plan for the first Fiscal Year, and Section 2.2 of the Transaction Agreement.

(c) Within 30 days of the receipt of a written notice from a Member holding a Preferred Return that has been outstanding for at least 84 months but not more than 96 months (as of the date of such distribution), which notice expressly invokes the Member's option pursuant to this Section 2.4(c), the Company shall make a distribution to such Member in an amount equal to (i) such Member's Preferred Return Amount as of the date of the distribution; plus (ii) the amount by which such Member's Accumulated Preference as of the date of the distribution exceeds any amount distributed to such Member pursuant to Section 4.2(a) of this Agreement prior to the date of the distribution. At the Company's discretion, such distribution may be in cash or property in kind. If made, such distribution shall be treated as a preferred return pursuant to Section 1.707-4 of the Regulations. Upon receipt of the full amount of the distribution under this Section 2.4(c), the Member shall have no further rights to receive any distribution under Section 4.2(a).

SECTION 3 ALLOCATIONS

3.1 Profits. After giving effect to the special allocations set forth in Section 3.3, Profits for any Fiscal Year shall be allocated to the Members as follows:

(a) First, Profits shall be allocated to each Member in an amount necessary to offset any previous allocations of Loss to such Member pursuant to Section 3.4.

(b) Second, Profits less any amounts allocated under Section 3.1(a) shall be allocated to the Members in proportion to their respective Percentage Interests.

3.2 Losses. After giving effect to the special allocations set forth in Section 3.3 and subject to Section 3.4, Losses for any Fiscal Year shall be allocated to the Members in proportion to their Percentage Interests.

3.3 Special Allocations. The following special allocations shall be made in the following order:

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(a) Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Section 3, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Members share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 3.3(a) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 3, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 3.3(b) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 3.3(c) shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.3(c) were not in the Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of the amount such Member is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3.3(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 3 have been made as if Section 3.3(c) and this Section 3.3(d) were not in the Agreement.

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(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Members in proportion to their respective Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Preferred Return Allocation. Gross income shall be allocated to any Member with a Preferred Return in an amount equal to (i) the cumulative amount of Net Cash Flow distributed to such Member under Section 4.2(a); plus (ii) any amounts distributed to such Member under Section 2.4(c) that are attributable to the amount by which such Member's Accumulated Preference exceeded the amounts distributed under Section 4.2(a); minus (iii) the cumulative amount of gross income previously allocated to such Member under this Section 3.3(g).

(h) Net Cash Flow Allocation. Gross income shall be allocated to each Member in an amount equal to (i) the cumulative amount of Net Cash Flow distributed to such Member under Section 4.2(b); minus (ii) the cumulative amount of gross income previously allocated to such Member under this Section 3.3(h).

(i) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Sections 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their Percentage Interests in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(j) Allocations Relating to Taxable Issuance of a Membership Interest. Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of a Membership Interest by the Company to a Member (the "Issuance Items") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

(k) Guaranteed Payments. To the extent any compensation paid to any Member by the Company, including any fees payable by the Company to any Member, is determined by the Internal Revenue Service not to be a guaranteed payment under Code Section 707(c) or is not paid to the Member other than in its capacity as a partner (Member) within the meaning of Code Section 707(a), the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation.

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(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Members' interests in Company Profits are in proportion to their Percentage Interests.

(d) To the extent permitted by Regulations Section 1.704-2(h)(3), the Management Committee shall endeavor to treat distributions of Net Cash Flow as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

3.6 Tax Allocations; Code Section 704(c).

In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, deduction and credit with respect to any Property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value) using the traditional method set forth in Regulations Section 1.704-3(b).

In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, deduction and credit with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 3.6 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provisions of this Agreement.

3.7 Revaluation of Capital Accounts. Capital Accounts shall not be revalued in connection with the Capital Contributions described in Section 2.3.

SECTION 4 DISTRIBUTIONS

4.1 Distributions. Except as otherwise provided in this Section 4 or Section 11, and after distribution of the cumulative amounts contemplated by Section 4.2 of this Agreement, remaining Net Cash Flow, if any, shall be distributed upon the approval of the Management Committee. Any distribution of Net Cash Flow (or otherwise) by the Company not otherwise governed by Section 4.2, Section 4.5, Section 4.6, Section 4.7 or Section 11.2(c) shall be distributed pro rata to the Members in accordance with each Member's Percentage Interest.

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4.2 Priority Distributions. Notwithstanding anything to the contrary in Section 4.1, for each Fiscal Year of the Company, Net Cash Flow shall be distributed on at least an annual basis as follows:

(a) First, to any Member holding a Preferred Return in an amount equal to the Member's Accumulated Preference, less any amount previously distributed to such Member pursuant to this Section 4.2(a). Such distribution shall be treated as a preferred return pursuant to Section 1.707-4 of the Regulations.

(b) Second, any remaining Net Cash Flow shall be distributed pro rata to the Members in accordance with each Member's Percentage Interest.

4.3 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation to the Company or the Members shall be treated as amounts paid or distributed, as the case may be, to the Members with respect to which such amount was withheld pursuant to this Section 4.3 for all purposes under this Agreement. The Company is authorized to withhold from payments and distributions, or with respect to allocations to the Members, and to pay over to any federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state or local law or any foreign law, and shall allocate any such amounts to the Members with respect to which such amount was withheld. The withholdings by the Company referred to in this Section 4.3 shall be made at the appropriate applicable statutory rate under the applicable tax as determined by the Management Committee.

4.4 Limitations on Distributions. The Company shall make no distributions to the Members except (i) as provided by and in accordance with this Section 4 and Section 11 or as agreed to by all of the Members and (ii) in conformance with the Act.

4.5 Distributions and Allocations in Respect of a Transferred Membership Interest. If any Membership Interest is Transferred during any Fiscal Year in compliance with the provisions of Section 9 or Section 10 or additional Members are admitted to the Company after the date hereof on different dates during any Fiscal Year, Profits, Losses, each item thereof, and all other items attributable to the Transferred Membership Interest or the newly issued Membership Interest, as the case may be, for such Fiscal Year shall be divided and allocated among the Members by taking into account their varying Percentage Interests during the Fiscal Year in accordance with Code Section 706(d), using the interim-closing-of-the-books method unless the Members agree otherwise in writing. In the case of a Transferred Interest, all distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that, if the Company is given notice of a Transfer at least ten (10) Business Days prior to the Transfer, the Company shall recognize such Transfer as of the date of such Transfer, and provided further that if the Company does not receive a notice stating the date such Membership Interest (or portion thereof) was Transferred and such other information as the Management Committee may reasonably require within thirty (30) days after the end of the Fiscal Year during which the

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Transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Membership Interest on the last day of such Fiscal Year.

4.6 Special Distributions.

(a) Notwithstanding anything to the contrary in this Agreement, the Company may make the payments to the KCS Member specified in Section 4(e)(ii) of the Operating Agreement.

(b) Immediately prior to the consummation of any transaction which results in the NS Member owning all of the Membership Interests in the Company, the Company will make a distribution to the KCS Member or its Permitted Transferees of all previously undistributed Net Cash Flow due to the KCS Member and such Permitted Transferees (based upon their respective Percentage Interests). Immediately prior to the consummation of any transaction which results in the KCS Member or its Permitted Transferees owning all of the Membership Interests in the Company, the Company will make a distribution to the NS Member or its Permitted Transferees of all previously undistributed Net Cash Flow due to the NS Member and such Permitted Transferees (based upon their respective Percentage Interests).

4.7 Deemed Distributions. In the event of a Permitted Asset Transfer in which the Company receives consideration with a value less than the Fair Value of the asset(s) subject to such Permitted Asset Transfer, the excess of the Fair Value of such asset(s) over the consideration received therefor (such excess, the "Deemed Distribution Amount") shall be deemed to be a distribution to the KCS Member, and the NS Member shall be entitled to, in its sole discretion: (a) an immediate cash payment from the KCS Member equal to the NS Member's pro rata share of the Deemed Distribution Amount based on its Percentage Interest or (b) an immediate cash payment from the Company equal to the product of (i) such Deemed Distribution Amount and (ii) a fraction, the numerator of which is the NS Member's Percentage Interest and the denominator of which is the KCS Member's Percentage Interest.

SECTION 5 MANAGEMENT

5.1 Manner of Operations. The Members each agree to act in good faith to operate the Company in a manner reasonably designed to maximize the long-term value of the Company as a whole.

5.2 Management Committee.

(a) Management by the Management Committee. Subject to the provisions of this Agreement, the business, property and affairs of the Company shall be managed, and all powers of the Company shall be exercised, by or under the direction of a management committee (the "Management Committee"). Without limiting the generality of the foregoing, but subject to the express limitations set forth elsewhere in this Agreement, the Management Committee shall have all necessary powers to manage and carry out the purpose, business, property and affairs of the Company.

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(b) Composition of Management Committee. The Management Committee shall consist of six committee representatives, four of whom shall be designated by the KCS Member and two of whom shall be designated by the NS Member, and any alternate selected by a Member, to serve in the absence or unavailability of one or more committee representatives (each, including alternates, a "Committee Representative"). Each Committee Representative shall serve at the pleasure of the Member or Members who designated such Committee Representative. The initial Committee Representatives are identified in Exhibit 5.2(b) attached hereto. Any Committee Representative may resign upon written notice to the Member who designated such Committee Representative and to the Company. The resignation of any such Committee Representative shall take effect upon receipt of such notice, or at such later time as shall be specified in such notice. A Committee Representative may be removed at any time with or without cause by the Member who originally designated such Committee Representative. Except as governed by Article 10 for an Event of Default by a Member, any vacancy occurring for any reason in the number of Committee Representatives shall be filled by the Member who originally designated the Committee Representative whose position has become vacant. The Chairman of the Management Committee shall be appointed by the KCS Member.

(c) Independent Activities. Except as otherwise restricted by the provisions of this Agreement or any other agreement between the Company and the Person acting as Committee Representative, each Committee Representative in his capacity as a Committee Representative shall be required to devote such time to the affairs of the Company as may be necessary to serve the Company in such capacity and shall be free to serve any other Person or enterprise in any capacity that such Committee Representative may deem appropriate in his discretion.

5.3 Committees of the Management Committee.

(a) Creation of Committees. Subject to Section 5.6, the Management Committee shall have the power and right (but not the obligation) to create and disband committees and to determine the duties, responsibilities, activities and composition thereof. Except as otherwise provided herein, the KCS Member and the NS Member shall each be entitled to representation on any such committee, such representation to be proportionate to their respective Percentage Interests in the Company.

(b) Capital Project Committee. The Members hereby agree that there shall be created a Capital Project Committee consisting of three Committee Representatives, two of whom shall be designated by the KCS Member and one of whom shall be designated by the NS Member. The Capital Project Committee shall establish a process (the "Capital Project Process") utilizing capacity modeling and field input to determine capacity needs and capital expenditures with respect to Capital Projects. The Capital Project Committee shall be responsible for (i) determining the optimum use of capital expenditures provided for in the Company's Budget (including any Rollover Budget) or Business Plan in accordance with the Capital Project Process and (ii) negotiating and entering into any Capital Improvement Agreements and overseeing the performance of the KCS Member thereunder, provided, however, that such Capital Improvement Agreements shall provide for construction of such Capital Projects at cost. The initial designees to the Capital Project Committee shall be those persons identified in Exhibit 5.3(b)(i) hereto. Except as provided in Section 5.12, the Capital Project

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Committee shall follow any protocols approved by the Management Committee in accordance with Section 5.6 to guide capital expenditures decisions. The initial capital expenditure protocols for capital expenditures other than the Proposed Capital Projects are attached hereto as Exhibit 5.3(b)(ii).

(c) Joint Operating Committee. The Members hereby agree that there shall be created a Joint Operating Committee (the "Joint Operating Committee") consisting of the Chief Operations Officer, Chief Marketing Officer and Chief Engineering Officer, or their respective designees, of KCS and NS. The Joint Operating Committee shall make decisions by the unanimous vote of its members. The Joint Operating Committee shall have responsibility for (i) monitoring such matters as operations, performance and scheduling, (ii) managing maintenance and other operating matters arising upon the carrying out of the Operating Agreement and the KCSR Joint Use Agreement and the NSR Joint Use Agreement and (iii) seeking the resolution of disputes with respect to such matters. Meetings of the Joint Operating Committee may be convened by any member thereof. The Joint Operating Committee may meet by telephone or in any manner or place as shall be agreeable to its members. If the Joint Operating Committee is unable to reach a unanimous vote on any matter, it shall refer that matter to the Management Committee, provided, however, that any Member may require such matter to be referred to arbitration in accordance with Section 12.14, if such matter involves a breach or an alleged breach of this Agreement or of any of the JV Transaction Agreements.

5.4. Meetings of Management Committee.

(a) Notices. Meetings of the Management Committee shall be held at least once each calendar quarter and may be called by any Committee Representative. All meetings shall be held upon fifteen (15) Business Days' notice by mail or four (4) Business Days' notice delivered personally or by telephone, e-mail or facsimile stating the business to be transacted at such meeting; provided, that at least thirty (30) Business Days' notice shall be provided for any meeting in which approval of any action of the type set forth in clauses (xxi), (xxii) and/or (xxiii) of the definition of Major Decision is sought. Notice of a meeting need not be given to any Committee Representative who signs a waiver of notice or a consent to holding the meeting (which waiver or consent need not specify the purpose of the meeting) or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to its commencement, the lack of notice to such Committee Representative. All such waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting. The Committee Representatives present may adjourn any meeting to another time and place. If any meeting of the Management Committee is adjourned, no less than four (4) Business Days' notice (delivered personally or by telephone, e-mail or facsimile) shall be given to each Committee Representative who is not present at the time of such adjournment prior to such meeting being reconvened. Meetings of the Management Committee shall be held at the offices of the Company unless another location shall have been designated in the notice of the meeting or at such place as may be approved by the Management Committee. Members of the Management Committee may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Committee Representatives participating in such meeting can hear one another. Participation in a meeting in such manner constitutes presence in person at such meeting. No business other than that stated in the notice shall be transacted at any meeting without the unanimous consent of all

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of the Committee Representatives. Any Committee Representative may authorize in writing any Person to act for it by proxy on all matters on which a Committee Representative is entitled to act, including waiving notice of, or voting or participating at, any meeting.

(b) Quorum. The presence in person of a majority of the Committee Representatives (at least one of whom shall be a Committee Representative appointed by the NS Member if a Major Decision is to be made) shall constitute a quorum for the transaction of business at a meeting of the Management Committee duly called in accordance with Section 5.4(a).

(c) Vote. Each Committee Representative shall have one vote to cast in person or by proxy.

(d) Action of the Committee. Except to the extent that this Agreement expressly requires otherwise (including as provided in Section 5.6), every action or resolution done or made by the majority approval of the Management Committee at a duly noticed meeting at which a quorum is present is the action of the Management Committee.

5.5 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Management Committee other than approval of any action of the type set forth in clause (xx) of the definition of Major Decision may be taken by the Committee Representatives without a meeting without prior notice and without a vote, but only if a consent or consents in writing shall be signed by all of the Committee Representatives.

5.6 Major Decisions. Notwithstanding anything to the contrary contained in this Agreement, until such time as the NS Member no longer owns any Membership Interests, neither the Management Committee nor any committee thereof shall authorize or effect any action that constitutes a Major Decision unless such action has received the approval of at least one of the Committee Representatives appointed by NS.

5.7 Budget and Business Plan; Investment Policies.

(a) Attached as Exhibit 5.7(a) to this Agreement is the budget for the first Fiscal Year (the "Budget") and the business plan for the first Fiscal Year (the "Business Plan"). On or prior to the date which is sixty days before the end of each Fiscal Year, commencing with the Fiscal Year ending December 31, 2006, the Management Committee shall prepare a Budget and Business Plan for the following Fiscal Year. The Budget and Business Plan for the next succeeding Fiscal Year shall upon approval of the Management Committee in accordance with Section 5.6 become the Budget and Business Plan for such Fiscal Year. If the Management Committee does not approve a Budget or Business Plan for any Fiscal Year prior to the commencement of such year, then the Budget or Business Plan for that Fiscal Year shall be the Budget or Business Plan from the prior Fiscal Year (excluding the prior Fiscal Year's extraordinary and nonrecurring items, but including any contractually obligated or legally required commitments or expenditures for the current year), as the case may be, adjusted, in the case of the Budget based on the "AAR Railroad Cost Indexes – Table A – Annual indexes of charge-out prices and wage rates (1977 = 100) – East – Materials prices, wage rates and supplements combined (excluding fuel)," together with any adjustment of contractual

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commitments in accordance with their terms (a "Rollover Budget"). Notwithstanding anything to the contrary set forth herein, the Budget (including any Rollover Budget) and Business Plan for any Fiscal Year shall take into account the capital expenditures for such Fiscal Year set forth in Schedule 2.2 to the Transaction Agreement.

(b) Attached as Exhibit 5.7(b) to this Agreement are the investment policies (the "Investment Policies") pursuant to which the initial Capital Contribution of the NS Member described in Section 2.1(a) and any additional cash Capital Contributions to the Company shall be invested by the Company.

5.8 Officers. Subject to Section 5.6, the Management Committee shall have the authority to appoint and terminate Officers of the Company and retain and terminate employees, agents and consultants of the Company and to delegate such duties to any such Officers, employees, agents and consultants as the Management Committee deems appropriate, including the power, acting individually or jointly, to represent and bind the Company in all matters, in accordance with the scope of their respective duties. The setting and modifications of compensation levels (including bonuses and benefits, if any) for any such Officers, employees, agents or consultants shall be set by the approval of the Management Committee in accordance with Section 5.6.

5.9 Exculpation and Indemnification.

(a) Indemnified Persons. The Committee Representatives, the Officers (if any) and each Member and its Affiliates, and the partners, members, shareholders, officers, directors, advisory directors, managers, employees and control persons (as such term is defined in the Securities Act) of each Member and its Affiliates (collectively, the "Indemnified Persons") shall not be liable, directly or indirectly, to the Company, any other Member or any other Person who has an interest in the Company for any act or omission (in relation to the Company or this Agreement) taken or omitted by such Indemnified Person in good faith in their capacity as such, provided that such act or omission did not constitute gross negligence, fraud or willful violation of the law, this Agreement or the fiduciary duties set forth in Section 5.10(a). To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each Indemnified Person and may indemnify any other Person subject to approval and designation of such person for such indemnification by approval of the Management Committee against all claims, damages, losses, liabilities and expenses of whatever nature (including reasonable attorneys' fees and disbursements) ("Claims") relating to activities undertaken in connection with the Company in their capacity as such, including, but not limited to, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees and expenses reasonably incurred in connection with the investigation, defense or disposition of any action, suit or other proceeding, whether civil or criminal, before any court or administrative body in which such Indemnified Person may be or may have been involved as a party or otherwise, or with which such Indemnified Person may be or may have been threatened, while acting as such Indemnified Person; provided that no indemnity shall be payable hereunder against any liability incurred by such Indemnified Person by reason of gross negligence, fraud, a willful violation of the law or a breach of this Agreement or the fiduciary duties set forth in Section 5.10(a). No Indemnified Person shall settle or compromise any Claim without the

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written consent, which consent shall not be unreasonably withheld, of the Management Committee, subject to Section 5.6.

(b) Advance of Expenses. Expenses incurred by an Indemnified Person in defense or settlement of any Claim that may be subject to a right of indemnification hereunder may be advanced (and must be advanced to Members, the Committee Representatives and Officers, if any, of the Company) by the Company prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall ultimately be determined that the Indemnified Person is not entitled to be indemnified by the Company.

(c) Non-Exclusivity. The right of any Indemnified Person to the indemnification provided herein shall be cumulative of and in addition to any and all rights to which such Indemnified Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Indemnified Person's successors, assigns and legal representatives.

(d) Satisfaction from Company Assets. All judgments against the Company or an Indemnified Person, in respect of which such Indemnified Person is entitled to indemnification, shall only be satisfied from Company assets and no other Person shall have any liability with respect thereto.

(e) Expenses. The Company is authorized to pay expenses, fees, withholding taxes and other costs reasonably incurred by the Company, including, without limitation, expenses incurred in connection with acquisitions or investments and expenses incurred under this Section 5.9.

5.10 Fiduciary Duty; Exculpation.

(a) Notwithstanding any other provisions of this Agreement, whether express or implied, or applicable law, the Members agree that, to the fullest extent permitted by Section 18-1101(c) of the Act, no Member shall owe any duties at law or in equity (including fiduciary duties) to the Company or any other Member; provided, that an Indemnified Person who is a Committee Representative and who shall also be an employee of a Member shall have a fiduciary duty to such Member and not to the Company; provided further, however, that, with respect to the approval of any Permitted Asset Transfer or any Permitted Indebtedness, each Committee Representative shall owe the same duties to the Company and the Members as a director of a Delaware corporation would owe to such corporation and its shareholders with respect to such matters. Notwithstanding the foregoing, nothing in this Section 5.10 shall eliminate any implied covenant of good faith and fair dealing between any Member and the Company or the other Members.

(b) The provisions of this Agreement, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the Members hereunder to replace such other duties and liabilities of such Indemnified Person.

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5.11 Interparty Matters. Notwithstanding anything to the contrary contained in this Agreement, in the event of any disagreement, dispute or controversy between any Member or any of its Affiliates (other than the Company), on the one hand, and the Company, on the other hand, arising out of or relating to this Agreement or any of the JV Transaction Agreements to which the Company is a party or is subject or the breach, termination or validity thereof, the Company Representatives designated by the other Member shall control (on behalf of the Company) the conduct or settlement of any such disagreement, dispute or controversy or any proceedings relating thereto.

5.12 Capacity Improvement Projects.

(a) Notwithstanding anything to the contrary herein, each Member (the "Sponsoring Member") may require the Company to perform all acts necessary in order to effectuate the construction of a Capacity Improvement Project. In order to initiate such construction, the Sponsoring Member may require the Company to perform a capacity model to determine the expected addition to capacity that would result from the construction of the specified Capacity Improvement Project, such capacity to be measured in the number of potential additional new overhead train movements permitted by such specified Capacity Improvement Project ("New Overhead Train Starts") and/or additional local train movements ("Local Train Starts").

(b) If the Capacity Improvement Project will result in only additional capacity through Local Train Starts, only the KCS Member may cause the Company to construct such Capacity Improvement Project, and such Capacity Improvement Project shall be constructed solely through a capital contribution of the KCS Member.

(c) If the Capacity Improvement Project will result in additional capacity through New Overhead Train Starts, then the Member that is not the Sponsoring Member ("Non-Sponsoring Member") shall have the right to require the Company to allocate to such Non-Sponsoring Member up to its share of the New Overhead Train Starts (up to two-thirds to KCSR through the KCSR Joint Use Agreement, if KCSR is the Non-Sponsoring Member or up to one-third to NSR through the NSR Joint Use Agreement, if NSR is the Non-Sponsoring Member), provided, however, that the Sponsoring Member shall always be entitled to at least one New Overhead Train Start. If the Non-Sponsoring Member elects to receive an allocation of New Overhead Train Starts as provided herein, the Capacity Improvement Project shall be constructed through a capital contribution of both Members in proportion to the number of New Overhead Train Starts allocated to each Member. Otherwise, the Capacity Improvement Project shall be constructed solely through a capital contribution of the Sponsoring Member. If either Member declines all or part of its allocation from one or more Capacity Improvement Projects, it may make up the resulting deficit in New Overhead Train Starts in any subsequent Capacity Improvement Project or Projects.

5.13 Construction of the Jackson Flyover

(a) Notwithstanding anything (except Section 5.13(b)) to the contrary, either Member may require the Company to perform all acts necessary (including requiring Capital Contributions in cash from each Member in proportion to its Percentage Interest) in order

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to effectuate the construction of the Jackson Flyover. The Company shall thereafter progress the engineering, permitting (to the extent required) and construction of the Jackson Flyover with all deliberate speed.

(b) Section 5.13(a) shall be disregarded if, within thirty (30) days of the formation of the Company, the Company receives assignment of the CN Jackson Trackage Rights.

SECTION 6 ROLE OF MEMBERS

6.1 Rights or Powers. The Members in their capacity as Members shall not have any right or power to take part in the management or control of the Company or its business and affairs or to act for or bind the Company in any way. Notwithstanding the foregoing, the Members have all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act. A Member shall cease to be a Member at the time such Member ceases to own any Membership Interests.

6.2 Voting Rights. No Member has any voting right except with respect to those matters specifically reserved for a Member vote which are set forth in this Agreement and as required in the Act.

6.3 Meetings of the Members.

(a) Meetings of the Members may be called upon the written request of any Member. The call shall state the location of the meeting and the nature of the business to be transacted. Notice of any such meeting, including any meeting that has been adjourned, shall be given to each Member not less than fifteen (15) Business Days (or four (4) Business Days if delivered personally or by telephone, email or facsimile) nor more than forty-five (45) days prior to the date of such meeting. Members may vote in person, by proxy or by telephone at such meeting and may waive advance notice of such meeting. Whenever the vote or consent of Members is permitted or required under the Agreement, such vote or consent may be given at a meeting of the Members or may be given in accordance with the procedure prescribed in Section 6.3(f). No business other than that stated in the notice shall be transacted at any meeting without the unanimous consent of all of the Members entitled to vote thereat.

(b) For the purpose of determining the Members entitled to vote on, or to vote at, any meeting of the Members or any adjournment thereof, the Management Committee or the Member requesting such meeting may fix, in advance, a date as the record date for any such determination. Such date shall not be more than thirty (30) days nor less than ten (10) days before any such meeting.

(c) Each Member may authorize any Person or Persons to act for it by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the

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date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

(d) Each meeting of Members shall be conducted by an individual Person selected by the Members holding a majority Percentage Interest. Except as otherwise required by law, the presence in person or by proxy of Members holding percentage interests of more than seventy-five percent (75%) shall constitute a quorum for the transaction of business at a meeting of the Members duly called in accordance with Section 6.3(a). In case a quorum shall not be present at any meeting, Members holding a majority of the Membership Interests held by Members represented thereat, in person or by proxy, shall have the power to adjourn the meeting from time to time until the requisite number of Members shall be present; provided, that, if any meeting of the Members is adjourned, no less than four (4) Business Days' notice (delivered personally or by telephone, e-mail or facsimile) shall be given to each Member who is not present at the time of such adjournment prior to such meeting being reconvened. After two adjournments for lack of quorum, if notice has been given to each Member in accordance with the preceding sentence, then the quorum requirement set forth in this Section 6.3(d) for any such adjourned meeting at which no Major Decision (or any other decision that requires the unanimous agreement of the Members, as provided herein) is proposed to be made shall be reduced from seventy-five percent to fifty-one percent. At any such adjourned meeting at which the requisite number of Members shall be represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

(e) At a meeting, any proposal shall be approved if it receives the affirmative vote of a majority of the Percentage Interests unless such a proposal would involve a Major Decision, in which event approval requires an affirmative vote of each of the Members.

(f) Notwithstanding this Section 6.3, any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by each Member.

6.4 Required Member Consents. Notwithstanding any other provision of this Agreement no action may be taken by the Company (whether by the Management Committee, or otherwise) in connection with any of the following matters without the written consent of all of the Members:

- (a) Any act in contravention of this Agreement; or
- (b) Any transaction to liquidate or dissolve the Company.

6.5 Member Compensation. No Member shall receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account or for services rendered on behalf of the Company, or otherwise, in its capacity as a Member, except as otherwise provided in this Agreement, any of the JV Transaction Agreements or in another agreement among the Company and a Member that received approval by the Management Committee in accordance with Section 5.6.

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6.6 Members' Liability. No Member shall be liable under a judgment, decree or order of a court, or in any other manner for the debts or any other obligations or liabilities of the Company. A Member shall be liable only to make its Capital Contributions and shall not be required to restore a deficit balance in its Capital Account or to lend any funds to the Company or, after its Capital Contributions have been made, to make any additional contributions, assessments or payments to the Company, provided that a Member may be required to repay distributions made to it as provided in Section 4 or the Act. A Committee Representative shall not have any personal liability for the repayment of any Capital Contributions of any Member.

6.7 Partition. While the Company remains in effect or is continued, each Member agrees and waives its rights to have any Company Property partitioned, or to file a complaint or to institute any suit, action or proceeding at law or in equity to have any Company Property partitioned, and each Member, on behalf of itself, its successors and its assigns hereby waives any such right.

6.8 Transactions Between a Member and the Company. Except as otherwise provided by applicable law and the provisions of this Agreement, subject to the Management Committee's approval in accordance with Section 5.6, any Member may, but is not required to, enter into, directly or indirectly, any transaction, agreement, joint enterprise or arrangement, guarantee, loan, advance or investment with the Company provided the same is on an arms length basis and at fair market value. No Member may, without the approval of the other Member, enter into, directly or indirectly, any transaction, agreement, joint enterprise or arrangement, guarantee, loan, advance or investment with the Company other than on an arms length basis and at fair market value. The existence of these relationships and acting in such capacities will not result in the Member being deemed to be participating in the control of the business of the Company or otherwise affect the limited liability of the Member.

6.9 Other Instruments. Each Member hereby agrees to execute and deliver to the Company within five days after receipt of a written request therefor, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Management Committee deems necessary, useful or appropriate to comply with any laws, rules or relations as may be necessary to enable the Company to fulfill its responsibilities under this Agreement.

6.10 Advise of Changes. Each Member hereby agrees to notify the other Members as soon as practicable of any event, circumstance or fact of which it has knowledge which has had, or is reasonably likely to have, a material adverse effect on such Member's ability to fulfill its obligations under this Agreement.

SECTION 7 ACCOUNTING BOOKS AND RECORDS

7.1 Accounting Books and Records.

(a) The Company shall keep on site at its principal place of business each of the following:

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(i) Separate books of account for the Company which shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the conduct of the Company and the operation of the Business in accordance with this Agreement,

(ii) A current list of the full name and last known business, residence or mailing address of each Member and Committee Representative, both past and present,

(iii) A copy of the Certificate of Formation and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed,

(iv) Copies of the Company's federal, state, and local income tax returns and reports, if any, until one year after the period of limitations for auditing the return by the federal government or by any applicable state or local government expires,

(v) Copies of this Agreement,

(vi) Copies of any writings permitted or required under the Act regarding the obligation of a Member to perform any enforceable promise to contribute cash or property or to perform services as consideration for such Member's Capital Contribution. and

(vii) Any written consents obtained from Members pursuant to the Act regarding action taken by Members without a meeting.

(b) The Company shall use the accrual method of accounting in preparation of its financial reports and for tax purposes and shall keep its books and records accordingly. Any Member or its designated representative has the right to access and audit, inspect and copy the contents of such books or records and shall also have access during normal business hours to such additional financial information, documents, books and records as may be reasonably requested (including in order to comply with any reporting requirements of such Member under applicable laws or stock exchange regulations). The rights granted to a Member pursuant to this Section 7.1 are expressly subject to compliance by such Member with the safety, security and confidentiality procedures and guidelines of the Company, as such procedures and guidelines may be established from time to time.

(c) The accounting period of the Company shall be the Fiscal Year.

7.2 Reports.

(a) In General. Pursuant to the Operating Agreement, KCSR (or, following the termination thereof, such other Person as may be engaged by the Management Committee in accordance with Section 5.6) shall be responsible for causing the preparation of financial reports of the Company and the coordination of financial matters of the Company with the Company's accountants.

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(b) Periodic and Other Reports. The Company shall cause to be delivered to each Member the financial statements listed in clauses (i) and (ii) below, prepared, in each case (other than with respect to Member's Capital Accounts, which shall be prepared in accordance with this Agreement) in accordance with GAAP consistently applied (and, if required by any Member or its Controlled Affiliates for purposes of reporting under the Exchange Act Regulation S-X), including any reports as may be required in accordance with the Company's or any of its Members' status as a rail carrier, and such other reports, representations and certifications as any Member may reasonably request from time to time, provided that, if the Management Committee so determines within 30 days thereof, such other reports shall be provided at such requesting Member's sole cost and expense. The monthly and quarterly financial statements referred to in clause (ii) below may be subject to normal year-end audit adjustments.

(i) As soon as practicable following the end of each Fiscal Year (and in any event not later than 45 days after the end of such Fiscal Year) the Company shall cause to be delivered to each Member, a balance sheet of the Company as of the end of such Fiscal Year and the related statements of operations, Members' Capital Accounts and changes therein, and cash flows for such Fiscal Year, together with appropriate notes to such financial statements and supporting schedules, all of which shall be audited and certified by the Auditors. and in each case, to the extent the Company was in existence, setting forth in comparative form the corresponding figures for the immediately preceding Fiscal Year end (in the case of the balance sheet) and the two immediately preceding Fiscal Years (in the case of the statements). and

(ii) As soon as practicable following the end of each of the first three Fiscal Quarters of each Fiscal Year (and in any event not later than 30 days after the end of each such Fiscal Quarter), the Company shall cause to be delivered to each Member, a balance sheet of the Company as of the end of such Fiscal Quarter and the related statements of operations and cash flows for such Fiscal Quarter and for the Fiscal Year to date, in each case, to the extent the Company was in existence, setting forth in comparative form the corresponding figures for the prior Fiscal Year's Fiscal Quarter and the interim period corresponding to the Fiscal Quarter and the interim period just completed.

The periodic statements described in clause (ii) above shall be accompanied by a written certification of the Chief Financial Officer of KCSR or such other individual performing a similar function (or any Person designated by the Management Committee in accordance with Section 5.6) that such statements have been prepared in accordance with GAAP consistently applied or this Agreement, as the case may be. The Company and the Management Committee shall also distribute to all Members, at the same time such reports are circulated, delivered or distributed internally, each and every internal management report prepared by, for or circulated among senior management of the Company relating to the business or financial performance of the Company.

7.3 Tax Matters.

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(a) Partnership Status. It is the intent of the Members that the Company be classified as a partnership for U.S. federal, state and local income tax purposes. The Members hereby agree not to elect to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

(b) Company Tax Returns. The Tax Matters Partner (as defined in Section 7.3(d)) shall prepare (or cause to be prepared) the U.S. federal income tax returns and information returns for the Company and all other tax returns of the Company in a manner consistent with this Agreement. The federal income tax return shall contain an election under Section 6231(a)(1)(B)(ii) of the Code and the regulations thereunder to treat the Company as a partnership to which the provisions of Sections 6221 through 6234 of the Code, inclusive, apply. The Tax Matters Partner shall cause the Company's accountants to prepare and review the necessary federal and state income tax returns and information returns for the Company. Each Member shall provide such information, if any, as may be needed by the Company for purposes of preparing such tax and information returns, provided that such information is readily available from regularly maintained accounting records. Prior to April 1st of each year, or sooner as applicable, the Tax Matters Partner shall deliver to the other Member for its review a copy of the Company's federal and state income tax returns and information returns in the form proposed to be filed for each Fiscal Year, and shall reasonably consider and take into account all reasonable comments to such proposed tax returns and information returns provided by the other Member at least ten (10) days prior to the filing date for such returns. After taking into account any such comments, the Tax Matters Partner shall cause the Company to timely file such tax returns. Within two (2) Business Days after filing such federal and state income tax returns and information returns, the Tax Matters Partner shall cause the Company to deliver to each Member a copy of the Company's federal and state income tax returns and information returns as filed for each Fiscal Year, together with any additional tax-related information in the possession of the Company that such Member may reasonably and timely request in order to properly prepare its own income tax returns.

(c) Tax Information. Necessary tax information shall be delivered to each Member as soon as practicable after the end of each Fiscal Year of the Company but not later than five months after the end of each Fiscal Year.

(d) Tax Audits.

(i) The KCS Member is hereby designated as the "tax matters partner," as that term is defined in Section 6231(a)(7) of the Code (the "Tax Matters Partner") of the Company, with all of the rights, duties and powers provided for in Sections 6221 through 6234 of the Code, inclusive. The Tax Matters Partner is hereby directed and authorized to take whatever steps the Tax Matters Partner, in its sole discretion, deems necessary or desirable to perfect such designation, including, without limitation, filing any forms or documents with the IRS and taking such other action as from time to time is required under the Treasury Regulations.

(ii) The Tax Matters Partner, in consultation with the other Member, shall direct the defense of any claims made by the IRS (or by any other taxing authority) to the extent that such claims relate to the adjustment of Company items at the

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Company level and, in connection therewith, shall cause the Company to retain and to pay the fees and expenses of counsel and other advisors chosen by the Tax Matters Partner with the consent of the other Member. The Tax Matters Partner shall promptly deliver to each other Member a copy of all notices, communications, reports and writings received from the IRS relating to or potentially resulting in an adjustment of Company items, shall promptly advise the other Member of the substance of any conversations with the IRS in connection therewith, and shall keep the other Member advised of all developments with respect to any proposed adjustments which come to its attention. In addition, the Tax Matters Partner shall (A) provide in a timely manner the other Member with a draft copy of any correspondence or filing to be submitted by the Company in connection with any administrative or judicial proceedings relating to the determination of Company items at the Company level reasonably in advance of such submission, (B) incorporate all reasonable changes or comments to such correspondence or filing requested by the other Member and (C) provide the other Member with a final copy of correspondence or filing. The Tax Matters Partner will provide the other Member with notice reasonably in advance of any meetings or conferences with respect to any administrative or judicial proceedings relating to the determination of Company items at the Company level (including any meetings or conferences with counsel or advisors to the Company with respect to such proceedings), and the other Member shall have the right to participate, at its sole cost and expense, in any such meetings or conferences.

(iii) Notwithstanding anything in this Section 7.3, the Tax Matters Partner shall not (A) extend the period of limitations for any tax year for Federal, state, and local income tax purposes, (B) enter into any settlement agreement that is binding upon the Members with respect to the determination of Company items at the Company level, (C) file a petition under Section 6226(a) of the Code for the readjustment of Company items, or (D) appeal any judicial decision with respect to any Company item, without the prior consent of the other Member which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 8 AMENDMENTS

8.1 Amendments. Amendments to this Agreement may be proposed by any Committee Representative or any Member. Following such proposal, the Management Committee shall submit to the Members a verbatim statement of any proposed amendment, and the Management Committee shall include in any such submission a recommendation as to the proposed amendment. The Management Committee shall seek the written consent of the Members pursuant to Section 6.3(f) on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. A proposed amendment shall be adopted and be effective as an amendment hereto only if it receives the affirmative vote of each of the Members.

SECTION 9 TRANSFERS AND CALL RIGHT

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9.1 Restrictions on Transfers. Except as provided in Section 9.2 of this Agreement, no Member shall Transfer all or any portion of its Membership Interest.

9.2 Permitted Transfers. Subject to the conditions and restrictions set forth in Section 9.3, a Member may at any time Transfer all or any portion of its Membership Interest to (a) any Person that (i) is the surviving Person as a result of any merger or consolidation of either the NS Parent or KCS with or into any such Person or (ii) acquires all or substantially all of the assets of the NS Parent or KCS, (b) any other Member, (c) any Wholly-Owned Affiliate of either the NS Parent or KCS, (d) any administrator, trustee or other Person to whom such Membership Interest of any Member is transferred involuntarily by operation of law, or (e) subject to the prior written consent of all other Members, any Person (any such Transfer being referred to in this Agreement as a "Permitted Transfer").

9.3 Conditions to Permitted Transfers. A Transfer of a Membership Interest shall not be treated as a Permitted Transfer under Section 9.2 unless and until the following conditions are satisfied:

(a) Except in the case of a Transfer involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be reasonably necessary or appropriate in the opinion of counsel to the Company to effect such Transfer. In the case of a Transfer of a Membership Interest involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Company. In all cases, the transferor and/or transferee shall reimburse the Company for all costs and expenses that the Company reasonably incurs in connection with such Transfer.

(b) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Membership Interest until it has received such information.

(c) Except in the case of a Transfer of a Membership Interest involuntarily by operation of law, either (i) such Membership Interest shall be registered under the Securities Act and any applicable state securities laws or (ii) the transferor shall provide (unless waived by the Management Committee) an opinion of counsel which opinion and counsel shall be reasonably satisfactory to the Management Committee to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the Transfer of securities.

(d) Prior to any such transfer, the Transferee shall deliver to each Member a written commitment from such Transferee to be bound by this Agreement and complies with the applicable provisions of Section 9.6.

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(e) The Transferee receives the prior written consent of each other Member if the transfer would cause the Company to terminate under Section 708(b)(1)(B) of the Code and the Regulations thereunder solely as a result of such Transfer.

9.4 Prohibited Transfers. Any purported Transfer of a Membership Interest that is not permitted by the terms of this Agreement shall be null and void and of no force or effect whatever; provided that, if the Company is required as a matter of law to recognize a Transfer that is not a Transfer permitted by the terms of this Agreement (unless the Management Committee, in its sole discretion and by unanimous action or consent, elects to recognize a Transfer that is not a Transfer permitted by the terms of this Agreement), the Membership Interest Transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred Membership Interest, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Membership Interest may have to the Company.

In the case of a Transfer or attempted Transfer of a Membership Interest that is not a Transfer permitted by the terms of this Agreement, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify, and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Person may incur (including, without limitation, incremental tax liabilities, attorneys' fees, fees of experts and accountants, and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

9.5 Rights of Unadmitted Assignees. A Person who acquires a Membership Interest, but who is not admitted as a substituted Member pursuant to Section 9.6 shall be entitled only to allocations and distributions with respect to such Membership Interest in accordance with this Agreement, and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement but shall succeed to all of the obligations of the Member who purported to transfer a Membership Interest in violation hereof including without limitation the obligation of the transferee under this Section 9 with respect to any subsequent transfers.

9.6 Admission of New and Substituted Members. Subject to the other provisions of this Article 9, a transferee or acquiree of a Membership Interest shall be admitted to the Company as a new or substituted Member upon satisfaction of the conditions set forth in this Section 9.6:

(a) The Membership Interest with respect to which the transferee is being admitted was acquired by means of a Transfer permitted by the terms of this Agreement.

(b) The transferee of the Membership Interest (other than, with respect to clauses (i) and (ii) below, a transferee that was a Member or a Wholly-Owned Affiliate of a Member prior to the Transfer) shall, by written instrument in form and substance reasonably satisfactory to the Management Committee (and, in the case of clause (iii) below, the transferor Member), (i) make customary representations and warranties to each non-transferring Member as

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to its due organization, authority to become a party to this Agreement, litigation and required consents, (ii) accept and adopt the terms and provisions of this Agreement, including this Section 9 and Section 10, and (iii) assume the obligations of the transferor Member under this Agreement with respect to the transferred Membership Interest. Upon unanimous agreement of all Members, a transferor Member transferring all but not less than all of its Membership Interest to any Permitted Transferee shall be released from all such assumed obligations except (x) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement, and (y) in the case of a Transfer to any Person other than a Member or any of its Affiliates, those obligations or liabilities of the transferor Member based on events occurring, arising or maturing prior to the date of Transfer.

(c) A new Member acquiring a Membership Interest from the Company shall by written instrument in form and substance reasonably satisfactory to the Management Committee (i) make representations and warranties to the Members equivalent to those set forth in Section 9.6(b)(i) and (ii) accept and adopt the terms and provisions of this Agreement.

(d) The transferee or acquiree pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee or acquiree as a Member with respect to the Transferred Membership Interest.

(e) Except in the case of a Transfer involuntarily by operation of law, if required by the Management Committee, the transferee (other than a transferee that was a Member or a Wholly-Owned Affiliate of a Member prior to the Transfer) shall deliver to the Company evidence of the authority of such Person to become a Member and to be bound by all of the terms and conditions of this Agreement, and the transferee and transferor shall each execute and deliver such other instruments as the Management Committee reasonably deems necessary or appropriate to effect, and as a condition to, such Transfer, including amendments to the Certificate or any other instrument filed with the State of Delaware or any other state or governmental authority. In the event of an involuntary Transfer by operation of law the transferee shall succeed to all of the obligations of the transferring Member under this Agreement but shall not have any rights (including rights with respect to Management Committee membership or under Section 9) other than with respect to allocations or distributions under this Agreement.

9.7 Representations Regarding Transfers; Legend. Each Member hereby represents and warrants to the Company and the Members that such Member's acquisition of a Membership Interest hereunder is made as principal for such Member's own account and not for resale or distribution of such Membership Interest. Each Member further hereby agrees that the following legends may be placed upon any counterpart of this Agreement, the Certificate of Formation, or any other document or instrument evidencing ownership of a Membership Interest:

The Membership Interest represented by this document has not been registered under any securities laws and the transferability of such Membership Interest is restricted. Such Membership Interest may not be sold, assigned, or transferred, nor will any assignee, vendee, transferee, or endorsee thereof be recognized as

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having acquired any such Membership Interest by the issuer for any purposes, unless (1) a registration statement under the United States Securities Act of 1933, as amended, with respect to such Membership Interest shall then be in effect and such transfer has been qualified under all applicable state securities laws or (2) the availability of an exemption from such registration and qualification shall be established to the satisfaction of counsel to the Company; and

The Membership Interest represented by this document is subject to, and is transferable only upon compliance with, the provisions of a limited liability company agreement, dated as of [], 2006. A copy of the above-referenced agreement is on file at the principal office of the Company.

9.8 Line Option Call Right. Upon NS' delivery, in accordance with Section 10.10(g) of the Transaction Agreement, of a Line Option Exercise Notice (as such term is defined in the Transaction Agreement) stating its election to acquire the KCS Membership Interests (as such term is defined in the Transaction Agreement) pursuant to Section 10.10(a)(i) thereof, the NS Member shall have the right to acquire or cause the Company to acquire the KCS Member's Membership Interests (the "Line Option Call Right") as follows:

(a) Purchase Price. If the NS Member delivers such a Line Option Exercise Notice, then the NS Member agrees to buy (or cause one or more of its Subsidiar(ies) to buy) and the KCS Member agrees to sell the KCS Member's Membership Interests, for the Membership Interest FMV (as such term is defined in the Transaction Agreement).

(b) Permitted Transfer: Closing. Promptly following the exercise of the Line Option Call Right, the Members shall take all actions reasonable and necessary to effect a Permitted Transfer of all of the Membership Interests of the KCS Member to the NS Member pursuant to this Section 9.8, including entering into of a transaction agreement with respect to such Permitted Transfer (the "Line Option Call Agreement") reflecting the key terms set forth in this Section 9.8 and otherwise containing representations, warranties, covenants and indemnities with respect to the Membership Interests of the KCS Member with terms at least as favorable to NS and its Subsidiaries as are set forth in the Transaction Agreement with respect to the Line and the Assets. Notwithstanding anything to the contrary contained herein, the completion of such sale pursuant to the Line Option Call Right and in accordance with the terms of the Line Option Call Agreement (the "Line Option Call Closing") shall occur, and the NS Member shall pay the Membership Interest FMV to the KCS Member, on a date (the "Line Option Call Closing Date") to be mutually agreed between the KCS Member and the NS Member, but in no event later than the later of (i) ninety (90) days after the delivery date of the Line Option Call Notice and (ii) five Business Days after the date on which the last of any required regulatory approvals in connection with such transaction is received. All payments of the Membership Interest FMV shall be made by wire transfer of immediately available funds to an account or accounts specified by the intended recipients. Upon the request of the NS Member, at the Line Option Call Closing, the KCS Member shall cause their respective representatives on the Management Committee to resign therefrom. The KCS Membership Interests shall be conveyed to the NS Member (or its designated Subsidiar(ies)) subject only to Permitted Liens (as defined in the Transaction Agreement) and the KCS Member shall be responsible for the payment of all transfer, filing and

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recording taxes in connection with the exercise of the Line Option with respect to the KCS Membership Interests and the conveyance of such interests.

SECTION 10 EVENTS OF DEFAULT

10.1 Events of Default. The following acts shall constitute an Event of Default hereunder:

- (a) A Transfer by any Member that is not a Permitted Transfer;
- (b) Failure of any Member to materially comply with any material covenant or agreement hereunder in accordance with its terms within thirty (30) days after receipt of notice thereof; or
- (c) The Bankruptcy of any Member.

10.2 Remedies Upon an Event of Default. If an Event of Default has occurred and is continuing:

(a) The non-defaulting Members may seek specific performance of any covenant or agreement contained herein, or seek to enjoin the breach of any covenant or agreement. It is acknowledged that in such event it would be impossible to measure in money the damages that would be suffered if the parties hereto fail to comply with any of the obligations imposed herein on them and that, in the event of any such failure, an aggrieved party hereto will be irreparably damaged and will not have an adequate remedy at law. In addition to being entitled to exercise all rights granted by law, any such party shall therefore, be entitled to equitable relief from any court having jurisdiction over such dispute, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties shall raise the defense that there is an inadequate remedy at law; and

(b) Each non-defaulting Member shall be entitled to recover from the defaulting Member in an appropriate proceeding any and all claims, damages, losses, liabilities and expenses of whatever nature (including reasonable attorneys' fees and disbursements) (collectively, "Damages") suffered or incurred by the Company or the non-defaulting Members as a result of such Event of Default. No punitive damages shall be awarded as a result of an Event of Default hereunder.

(c) If the Event of Default arises from the Bankruptcy of a Member, no less than five Business Days after the commencement of a Bankruptcy proceeding, whether Voluntary or Involuntary, such Member shall provide notice of its offer to sell to all non-defaulting Members (the "Default Sale Notice") all but not less than all of the Membership Interest of the Company held by such defaulting Member. Each non-defaulting Member shall have the option within forty-five days of receiving the Default Sale Notice (the "Acceptance Period") to purchase all, but not less than all, of its pro rata share (based on the number of Membership Interest held by such non-defaulting Member as compared to the total number of Membership Interest held by all non-defaulting Members) of the Membership Interest offered.

REDACTED

The price of the Membership Interest offered by the defaulting Member shall be the Fair Value of such Membership Interest less any Damages incurred by the non-defaulting Member that are recoverable pursuant to Section 10.2(b). If such offer to purchase is accepted, and at least two Members remain, such Bankruptcy shall not be a Dissolution Event.

(d) Each non-defaulting Member shall if it so desires, exercise its rights under Section 10.2(c) by delivering to the defaulting Member written notice of election (the "Acceptance Agreement") prior to 5:00 p.m., Eastern standard time, on or before the last day of the Acceptance Period. By delivering the Acceptance Agreement, the non-defaulting Member agrees to purchase, and the defaulting Member agrees to sell, that portion of the defaulting Member's Membership Interest which corresponds to the non-defaulting Member's pro rata share. The Acceptance Agreement shall identify the committed source of financing for such purchase or provide evidence that the non-defaulting Member is able to effect the purchase.

The completion of the sale pursuant to Section 10.2(c) shall occur on a date to be mutually agreed between the defaulting Member and the non-defaulting Member, but in no event later than five Business Days after the latter of (i) the delivery date of the Acceptance Agreement or (ii) the date on which the last of any required regulatory approvals in connection with such transaction is received. All payments of the purchase price for a transaction pursuant to Section 10.2(c) shall be made by wire transfer of immediately available funds to an account or accounts designated by the defaulting Member for such purpose.

(e) If the Event of Default arises from a Transfer that is not a Permitted Transfer, the transferring Member shall take or cause to be taken all action necessary to reverse such Transfer.

(f) In addition to the foregoing remedies, each defaulting Member hereby agrees to indemnify, defend and hold harmless each non-defaulting Member, its Affiliates and their respective partners, officers, directors, agents, representatives, employees and trustees ("Indemnified Parties") from and against all Damages arising out of or related to such Event of Default.

SECTION 11 DISSOLUTION AND WINDING UP

11.1 Dissolution Events. The Company shall dissolve and shall commence winding up and liquidating upon the first to occur of any of the following (each a "Dissolution Event"):

- (i) The unanimous vote of the Members to dissolve, wind up, and liquidate the Company; or
- (ii) A judicial dissolution under Section 18-802 of the Act.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Dissolution Event.

REDACTED

11.2 Winding Up. Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs, provided that all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the Property has been distributed pursuant to this Section 11.2 and the Certificate of Formation has been canceled pursuant to the Act. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within ninety days of the occurrence of the Dissolution Event. The Liquidator shall take full account of the Company's liabilities and Property and shall cause the Property or the proceeds from the sale thereof, to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

(a) First, to creditors (including Members and Committee Representatives who are creditors, to the extent otherwise permitted by law) in satisfaction of all of the Company's debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof), other than liabilities for which reasonable provision for payment has been made;

(b) Second, except as provided in this Agreement, to Members and former Members of the Company in satisfaction of liabilities for distribution under the Act;

(c) The balance, if any, to the Members in accordance with their positive Capital Account balances (after taking into account all adjustments thereto for contributions, distributions and allocations for the year of dissolution and all prior periods) to the extent thereof and then to the Members pro rata in accordance with their Percentage Interests.

Members or Committee Representatives may receive reasonable compensation for any services performed pursuant to this Section 11.

11.3 Compliance With Certain Requirements of Regulations; Deficit Capital Accounts. In the event the Company is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), and any Member has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all Fiscal Years, including the Fiscal Year during which such liquidation occurs), such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the company or to any other Person for any purpose whatsoever. In the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to this Section 11 may be:

(a) Distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 11.2; or

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(b) Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

11.4 Distributions in Kind. Any non-cash asset distributed to one or more Members shall first be valued at its Fair Value to determine Profit and Loss that would have resulted if such asset were sold for such value. Such Profit or Loss shall then be allocated to reflect such allocation.

11.5 Rights of Members. In the event of any distribution of Property in accordance with Section 11 hereof, no Member shall have any right or power to demand or receive Property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return such Capital Contributions, the Members shall have no recourse against the Company or any other Member or Committee Representative.

11.6 Notice of Dissolution/Termination.

(a) In the event a Dissolution Event occurs, the Management Committee shall promptly, but in no event later than seven (7) days thereafter, provide written notice thereof to each of the Members.

(b) Upon completion of the distribution of the Company's Property as provided in this Section 11, the Company shall be terminated, and the Liquidator shall cause the filing of the Certificate of Cancellation pursuant to the Act and shall take all such other actions as may be necessary to terminate the Company.

11.7 Allocations During Period of Liquidation. During the period commencing on the first day of the Fiscal Year during which a Dissolution Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 11.2 (the "Liquidation Period"), the Members shall continue to share Profits, Losses, gain, loss and other items of Company income, gain, loss or deduction in the manner provided in Section 3.

11.8 Character of Liquidating Distributions. All payments made in liquidation of the interest of a Member in the Company shall be made in exchange for the interest of such Member in Property pursuant to Section 736(b)(1) of the Code, including the interest of such Member in Company goodwill.

11.9 The Liquidator.

(a) Definition. The "Liquidator" shall mean a Person appointed by the unanimous vote of the Members to oversee the liquidation of the Company.

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(b) Fees. The Company is authorized to pay a reasonable fee to the Liquidator for its services performed pursuant to this Section 11 and to reimburse the Liquidator for its reasonable costs and expenses incurred in performing those services.

(c) Indemnification. The Company shall indemnify, save harmless, and pay all judgments and claims against such Liquidator or any officers, directors, agents or employees of the Liquidator relating to any liability or damage incurred by reason of any act performed or omitted to be performed by the Liquidator, or any officers, directors, agents or employees of the Liquidator in connection with the liquidation of the Company, including reasonable attorneys' fees incurred by the Liquidator, officer, director, agent or employee in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, except to the extent such liability or damage is caused by the fraud, intentional misconduct of, or a knowing violation of the laws by the Liquidator which was material to the cause of action.

SECTION 12 MISCELLANEOUS

12.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been delivered, given, and received for all purposes (i) if delivered personally to the Person or to an officer of the Person to whom the same is directed or (ii) when the same is actually received, if sent either by express delivery service or registered or certified mail, postage and charges prepaid and return receipt requested, or by facsimile, if such facsimile is followed by a hard copy of the facsimile communication sent promptly thereafter by registered or certified mail, postage and charges prepaid, addressed as follows or to such other address as such Person may from time to time specify, by notice to the Members and Committee Representatives:

If to the Company: Meridian Speedway, LLC
427 West 12th Street
Kansas City, Missouri 64105
Facsimile: (816) 983-1227

With a copy to the
NS Member and the
KCS Member

If to NS Member: The Alabama Great Southern Railroad
Company
c/o Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510
Attention: James A. Squires, Esq.
Facsimile: (757) 533-4872

With a copy to: Skadden, Arps, Slate, Meagher & Flom LLP

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4 Times Square
New York, New York 10036-6522
Attention: Eric J. Friedman, Esq.
Facsimile: (212) 735-2000

If to the KCS
Member: Kansas City Southern
427 West 12th Street
Kansas City, Missouri 64105
Attention: Robert B. Terry, Esq.
Facsimile: (816) 983-1227

With a copy to: Sonnenschein Nath & Rosenthal LLP
4520 Main Street, Suite 1100
Kansas City, MO 64111
Attention: John F. Marvin, Esq.
Facsimile: (816) 531-7545

12.2 Certificates.

(a) Right of the Management Committee to Issue Certificates. If at any time the Management Committee determines that it is in the best interests of the Company to issue certificates attesting to the ownership of Membership Interest in the Company by its Members, the provisions of this Section shall thereafter apply (and prior to such determination by the Management Committee, if any, this Section shall have no force or effect).

(b) Form of Certificates. Certificates attesting to the ownership of interests in the Company shall be in such form as shall be approved unanimously by the Management Committee and shall state that the Company is a limited liability company formed under the laws of the State of Delaware, the name of the Member to whom such certificate is issued and that the certificates represent limited liability company interests within the meaning of the Act. Each such certificate shall be signed by one Committee Representative appointed by the KCS Member and one Committee Member appointed by the NS Member and shall include the legends referred to in Section 9.7.

(c) Register. The transfer register or transfer books and blank share certificates shall be kept by the Secretary of the Company or by any transfer agent or registrar designated by the Management Committee for that purpose.

(d) Issuance. The certificates of the Company shall be numbered and registered in the share register or transfer books of the Company as they are issued.

(e) Transfer. Subject to all provisions hereof relating to Transfers of Membership Interest, if the Company shall issue certificates in accordance with the provisions of this Section, Transfers of Membership Interests shall be made on the register or transfer books of the Company upon surrender of the certificate therefor, endorsed by the Person named in the certificate or by an attorney lawfully constituted in writing.

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(f) Record Holder. Except to the extent that the Company shall have received written notice of an assignment of a Membership Interest in the Company, the Company shall be entitled to treat the Person in whose name any certificates issued by the Company stand on the books of the Company as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to, or interest in, such Membership Interest on the part of any other Person.

(g) Lost Destroyed or Mutilated Certificates. The holder of any certificates issued by the Company shall promptly notify the Company of any loss, destruction or mutilation of such certificates, and the Management Committee may cause a new certificate or certificates to be issued to such holder, in case of mutilation of the certificate upon the surrender of the mutilated certificate or, in case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction and, if the Management Committee shall so determine, the granting of an indemnity and/or the deposit of a bond in such form and in such sum, and with such surety or sureties, as the Management Committee may direct.

12.3 Binding Effect. Except as otherwise provided in this Agreement every covenant, term and provision of this Agreement shall be binding upon and inure to the benefit of the Members and their respective successors, transferees and assigns.

12.4 Time. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included, but the time shall begin to run on the next succeeding day. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

12.5 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

12.6 Prior Agreements. This Agreement, the JV Transaction Agreements and the Certificate of Formation supersede all prior agreements among the parties hereto, written or oral, with respect to the operation of the Company or the transactions referred to herein and specifically any and all term sheets prepared in respect of such transactions.

12.7 Severability. Except as otherwise provided in the succeeding sentence, every provision of this Agreement is intended to be severable, and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement. The preceding sentence of this Section 12.7 shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

12.8 Incorporation by Reference. Every exhibit and other appendix attached to this Agreement and referred to herein is incorporated in this Agreement by reference unless this Agreement expressly otherwise provides.

REDACTED

12.9 Variation of Terms. All terms and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, similar or plural, as the identity of the Person or Persons may require.

12.10 Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

12.11 Third Party Beneficiaries. Except for Indemnified Persons, this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto.

12.12 GOVERNING LAW. THE LAWS OF THE STATE OF DELAWARE SHALL GOVERN THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION OF ITS TERMS AND THE INTERPRETATION OF THE RIGHTS AND DUTIES ARISING HEREUNDER.

12.13 Submission to Jurisdiction. Subject to Section 12.14 herein, each of the parties hereto hereby (i) consents to submit itself to the exclusive jurisdiction of any Federal or state court located in the State of Delaware (the "Delaware Courts") in any action to enforce or in aid of the agreement to arbitrate in Section 12.14 herein or for provisional relief to maintain the status quo or prevent irreparable harm pending the appointment of the arbitrators, and to the non-exclusive jurisdiction of the Delaware Courts for enforcement of any award issued hereunder (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) waives any objection based on forum non conveniens or any other objection to venue thereof.

12.14 Dispute Resolution. Except as provided in Section 10.2, 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 sixty (60) days after receipt by a party of written notice ("Notice") of such Dispute, will be submitted to mediation in accordance with the Commercial Mediation Procedures of the AAA. If such dispute is not resolved within twenty (20) days after appointment of a mediator, or within sixty (60) days of receipt of Notice (whichever comes sooner), each of the parties hereto agrees that, at the demand of any party, such Dispute will be submitted to mandatory and binding arbitration, in New York, New York by three arbitrators, under the Commercial Arbitration Rules and the Large Complex Case Procedures of the AAA then in effect (the "Rules"), under the following terms and conditions:

(a) Selection of Arbitrator. A panel of three independent arbitrators shall be appointed by the AAA using the listing, ranking and striking procedure in the Rules. Any arbitrator appointed by the AAA shall be a retired judge or a practicing attorney with no less than fifteen years of experience with large commercial cases and an experienced arbitrator.

(b) Conduct of Arbitration. The arbitration shall be held and the award shall be issued in New York, New York. In addition to Damages, the arbitral tribunal may

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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 Delaware 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.

(c) Replacement of Arbitrator(s). Should any of the arbitrator(s) refuse or be unable to proceed with arbitration proceedings, replacement arbitrator(s) will be selected using the same method of selection as the original arbitrator(s).

(d) Findings and Conclusions. The arbitrators will, after reaching judgment and award, prepare and distribute to the parties a written award including the findings of fact and conclusions of law relevant to such award and containing an opinion setting forth the reasons for the giving or denial of any award.

(e) Time is of the Essence. The arbitrators are hereby instructed that time is of the essence in the arbitration proceeding, and that the arbitrators will have the right and authority to issue monetary sanctions against any party if, upon a showing that such party is unreasonably delaying the proceeding.

(f) Temporary Equitable Relief. By agreeing to arbitration, the parties do not intend to deprive any Delaware 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 a Delaware 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.

(g) Consolidation. The Parties are committed to the prompt and efficient resolution of disputes. Accordingly, if one or more disputes arises under this Agreement and/or any JV Transaction Agreement, such disputes may be brought in a single arbitration. If more than one arbitration is brought with respect to disputes under this Agreement and/or any JV Transaction Agreement, then any Party may request that any arbitration or any new dispute arising under this Agreement or the JV Agreement be consolidated into any prior arbitration. The new dispute or arbitration shall be so consolidated, provided that the arbitral tribunal for the prior (or first filed) arbitration determines that (i) the new dispute or arbitration presents significant issues of law or fact common with those in the pending arbitration; (ii) no Party would be unduly prejudiced and (iii) consolidation under such circumstances would not result in undue delay for the prior arbitration. Any order of consolidation issued by such arbitral tribunal shall be final and binding upon the parties. Unless the parties otherwise agree, the arbitral tribunal appointed first in time shall serve as the arbitral tribunal for the consolidated arbitration. The Parties waive any right they have to appeal or to seek interpretation, revision or annulment of such order of consolidation under the Rules or in any court. The Parties agree that upon such an order of consolidation, they will promptly dismiss any arbitration brought under this Agreement, the subject of which has been consolidated into another arbitral proceeding.

REDACTED

(h) Discovery. Recognizing the express desire of the parties for an expeditious means of dispute resolution, the arbitrators will allow for limited discovery as may be reasonable under the circumstances.

(i) Costs and Attorneys' Fees. Notwithstanding any rule of the AAA to the contrary, the arbitrators rendering judgment under this Section 12.14 will have the power to award the costs of the arbitration, including reasonable attorneys' fees and expenses to the prevailing party or parties in the arbitration. In any action to enforce this agreement to arbitrate or any arbitral award rendered hereunder, the court may award costs and attorneys' fees against the party resisting enforcement.

12.15 Confidentiality. 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 in connection with an audit by the Internal Revenue Service or other tax authority, or as may be necessary or appropriate for a Member hereto to enforce its rights under this Agreement, during the term of this Agreement (including any extensions thereof), and for a period of three (3) years after termination or expiration of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by either Member to any person other than members, officers, employees, independent auditors, and attorneys, without the prior written approval of the other Member.

[Remainder of page intentionally left blank.]

REDACTED

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the day first above set forth.

THE ALABAMA GREAT SOUTHERN
RAILROAD COMPANY,
an Alabama corporation

By: _____
Name:
Title:

KANSAS CITY SOUTHERN,
a Delaware corporation

By: _____
Name:
Title:

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Exhibit B

Proposed Capital Projects

[See attached.]

REDACTED

Exhibit C

Percentage Interests of the Members

<u>Member</u>	<u>Percentage Interest</u>
KCS Member	[]*
NS Member	[]*

* To be determined in accordance with Sections 1 and 2 of Schedule 2.1(a) to the Transaction Agreement.

REDACTED

Exhibit D

PRE-CLOSING CAPITAL EXPENDITURES

<u>PROJECT DESCRIPTION</u>	<u>EST. PRE-CLOSING COSTS</u>
<u>CTC (East Bovay, LA to East Bosier, LA):</u> Engineering, material and begins the grading for Signal Houses and signal mast	\$ 4,000,000
<u>Jackson, MS High Oak Yard By Pass Track:</u> Engineering, permitting, Property and track material purchase and begins the grading and drainage	\$ 2,000,000
<u>Simsboro Drill Track:</u> Engineering, permitting, Property and track material purchase and begins the grading and drainage	\$ 2,000,000
<u>Monroe, LA Ouachita River Swing Bridge:</u> Preliminary engineering including geotechnical. permitting, environmental and bridge concept plans and estimates	\$ 500,000
<u>Meehan Siding:</u> Engineering, permitting, Property and track material purchase and begins the grading and drainage	\$ 1,500,000
<u>Stevens Siding:</u> Engineering, permitting, Property and track material purchase and begins the grading and drainage	\$ 1,500,000
<u>Raworth Siding:</u> Engineering, permitting, Property and track material purchase and begins the grading and drainage	\$ 1,500,000
<u>Bridge Rehabilitation / Replacement:</u> Engineering, permitting, Property and material purchase and begins some construction	\$ 2,000,000
<u>Rail Replacement (30miles in 2006):</u> Purchase of material, transportation, welding, and begin installation	\$ 4,000,000
<u>Tie Replacement (38 miles in 2006):</u> Purchase of material, transportation, and unloading.	\$ 1,000,000
TOTAL:	\$20,000,000

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Exhibit 2.2

Capital Accounts of the Members

<u>Member</u>	<u>Capital Account</u>
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KCS Member

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NS Member

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Exhibit 5.2(b)

Initial Committee Representative

NS Member Designees:

C. Wick Moorman

Kathryn B. McQuade

KCS Member Designees:

Larry Lawrence

Robert Terry

Jerry Havein

Mike Chapman

REDACTED

Exhibit 5.3(b)(i)

Initial Members of Capital Project Committee

NS Member Designee:

David A. Brown

KCS Member Designees:

Jerry Havein

Mike Chapman

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Exhibit 5.3(b)(ii)

Capital Expenditure Protocols

Normalized capital maintenance includes anything used to keep the existing track structure going as a result of normal wear and tear. It may also include some betterment if the asset being replaced is obsolete and technology has improved it.

Recovery Method — The Company shall maintain depreciation as a cash reserve, available for borrowing by KCS or NS.

Allocation Method — For the first two years, capital maintenance shall be allocated to the Members on the basis of gross ton miles operated pursuant to the NSR Joint Use Agreement and the KCS Joint Use Agreement. After the first two years, the Company shall allocate normalized capital maintenance to the Members on the basis of resistance miles, an Eyeris tool that takes into account miles, grade, curve, weight, and speed to better depict the wear and tear on the track.

Deficits — If the Recovery Method does not reserve sufficient funds for normalized capital maintenance, then the Company shall initiate a capital call on the basis of resistance miles at the time normalized capital maintenance actually is performed without sufficient funds in reserve.

Capacity projects shall include new assets that do not replace existing assets, such as a new siding, a turnout, or a new technology that is not a replacement.

Recovery and Allocation Method — Except as provided in Sections 5.12 and 5.13, capacity expansion projects will be funded by a joint capital call unless a Member objects that the capacity expansion is for the sole benefit of the traffic of the other partner. If such an objection occurs, the Members agree to defer to a dispute resolution involving system modeling, such as RTC. If material benefits are found to accrue to the service and transit time of only one partner, that partner shall bare the sole cost.

The Vicksburg Bridge is in a separate category because of its magnitude. If the bridge must be rebuilt, the Members shall bear the cost according to their percentage interest.

REDACTED

Exhibit 5.7(a)

Approved Budget and Business Plan

[See attached.]

REDACTED

Exhibit 5.7(b)

Approved Investment Policies

The Vice President and Treasurer of Meridian Speedway, LLC (the "Company"), or his or her delegate, is authorized to purchase and sell from time to time on behalf of the Company the classes of United States dollar securities, described herein, subject to the specified limitations and ratings, and subject to any limitations that may be fixed from time to time by the Management Committee of the Company.

Securities in the short-term portfolio will consist of those maturing not later than one year from date of purchase. Securities in the intermediate-term portfolio will consist of those maturing from one to five years from date of purchase.

I. SHORT-TERM PORTFOLIO

Investments and Credit Quality (See Item 11 this section)

1. U.S. Treasury obligations
2. Federal Agency obligations
3. Bank obligations (Domestic and Eurodollar)
 - U.S. and foreign banks: Time deposits, money market demand accounts, certificates of deposit, bankers' acceptances, letter of credit-backed paper, and commercial paper issued by domestic bank holding companies and foreign bank owned funding subsidiaries.
 - Minimum equity of \$500 million for U.S. banks; \$1 billion for foreign banks.
 - Thompson Financial Services rating of B/C (domestic banks) or II/III (foreign banks).
 - Moody's Aa long-term deposit rating, or Moody's Aa or S&P AA or Fitch long-term debt ratings. A1/P1 ratings on short-term deposits and commercial paper. In the absence of long-term ratings, Thompson Financial Services' ratings are acceptable.
4. Commercial Paper (U. S. and non-U.S.) Asset-backed and non asset-backed
 - Long-term debt ratings of Aa/AA, short-term ratings of A1/P1. If an issuer does not have a long-term debt rating, S&P common stock rating of A or better may be substituted for this debt requirement. In the case of asset-backed paper, the issuer may be backed by a letter of credit from a financial institution with a long-term debt rating of AA or better.
5. Repurchase Agreements
 - Overnight or term repos up to 30-day maturity.
 - Collateral coverage of not less than 102% (based upon current market value plus accrued interest), using Government, federal agencies and obligations of banks which otherwise meet the criteria of this policy.
6. Overnight Institutional Money Market Funds
 - a. Minimum equity of \$1 billion.

REDACTED

- b. Money market mutual funds organized under the laws of the United States or any state thereof which have daily pricing and daily redemption features and invest at least ninety percent (90%) of their assets in the investments described in the investment policy.
- 7. Tax-exempt and taxable municipal securities –
 - a. General obligation notes; state and municipal authorities, school districts and other revenue notes and bonds; variable rate demand/Put notes and bonds; and Daily, Weekly, Monthly Floaters.
 - Long-term debt ratings of Aa by Standard & Poor's, Moody's or Fitch
 - Short-term debt ratings of MIG-1/VMIG-1 or SP-1/A-1.
 - Long-term ratings of Aa and AA on issues insured by Municipal Bond Insurance Association (MBIA); Financial Guaranty Insurance Company (FGIC), and Bond Investors Guaranty Insurance Company (BIG).
 - In the case of variable rate/Put bonds, underlying issuer must be rated A by at least one of the rating agencies. If the underlying issuer's rating is no higher than A, then the issue must be supported by an irrevocable letter of credit issued by a bank qualifying under
 - the above credit quality standards.
 - b. Tax-exempt commercial paper
 - Long-term debt ratings of Aa or AA . or backed by a letter of credit from a financial institution rated AA. commercial paper ratings of A1 or P1.
- 8. Variable Rate Preferred Stock
 - Issuer's equity must meet minimum standards outlined above.
 - Long-term debt ratings of Aa/AA.
- 9. Corporate Obligations
 - Floating and fixed rates credit rating by at least one rating agency of AA.
- 10. Broker LLC private investment funds rated AAA.
- 11. Credit Quality Exception-
 - Long-term rating requirements as stated above are Aa by Moody's and/or AA by Standard and Poor's. This requirement is modified to the extent that up to 25% of total securities in short and intermediate-term portfolios may carry a rating of A by Moody's and/or A by Standard and Poor's or Fitch.

II. INTERMEDIATE-TERM PORTFOLIO

- Credit requirements for these issues must adhere to the same standards as short-term issues. If the total of the short-term and intermediate-term portfolios exceeds \$100 million, then no more than 50% of the total investments may be placed in the intermediate-term portfolio.

REDACTED

INVESTMENTS

1. All instruments included in the short-term portfolio.
2. Corporate Notes and Bonds, both Fixed and Floating rates.
3. Corporate Notes and Bonds with Put Features.
 - Puts must be at par and unconditional, date thereof to be considered final maturity date.
4. Eurodollar and Yankee Notes and Bonds.
5. Term Certificates of Deposit issued by U.S. and foreign banks.
6. Floating Rate Instruments –
 - a. Domestic and Eurodollar certificates of deposit and notes.
 - b. Variable Coupon Renewable Notes.
7. Asset-backed securities, defined as:
 - a. Government National Mortgage Association (GNMA) Pass-Through Certificates.
 - b. Federal National Mortgage Association (FNMA) Mortgage-Backed Securities.
 - c. Federal Home Loan Mortgage Corporation (FHLMC) Participation Certificates.
 - d. Collateralized Mortgage Obligations (CMOs) issued by Federal Home Loan Mortgage Corporation and Wall Street dealer-sponsored special purpose corporations.
 - e. Auto Loan or Credit Card-backed Notes issued by various finance companies.

III. PORTFOLIO LIMITS

1. U. S. Treasury obligations – no limits.
2. Federal Agency obligations – not more than 50% of the total portfolio.
3. Bank obligations
 - a. Any single issuer is limited to 10% of total portfolio.
 - b. Total bank related obligations may not exceed 50% of total portfolio.
 - c. Foreign bank obligations may not exceed 25% of the total portfolio.
4. Commercial Paper
 - a. Any single issuer is limited to 10% of the total portfolio.
 - b. Not more than 50% of the total portfolio may be invested in commercial paper.
 - c. Not more than 25% of the total portfolio may be invested in foreign commercial paper (excluding foreign bank related commercial paper).
5. Repurchase Agreements
 - a. No limits on total repurchase agreements.
 - b. Any approved dealer is limited to 10% of total portfolio.
6. Tax-exempt and taxable securities
 - a. Any single issuer is limited to 10% of total portfolio.
 - b. Total tax-exempt obligations shall not exceed 2%.
7. Variable Rate Preferred Stock

REDACTED

- a. Any single issuer is limited to 5% of the total portfolio, with a maximum of 5% of any single issue.
 - b. Total Variable Rate Preferred Stock may not exceed 10% of the total portfolio.
- 8. Corporate obligations (other than bank obligations)
 - a. Any single issue is limited to 10% of total portfolio.
 - b. Corporate obligations may not exceed 50% of total portfolio.
- 9. Miscellaneous
 - a. Obligations of any one industry shall not exceed 25% of the total Portfolio, with the exception of 50% limitation for bank related obligations.
 - b. Not more than 5% of the total portfolio may be invested in any category or obligation of any issuer not covered by the limitations or credit standards established above, provided the investment within this limitation are consistent with the objectives of the portfolio.
 - c. The total of all securities issued by foreign governments and agencies, foreign supra-national corporations, U.S. subsidiaries of foreign corporations, and foreign banks (including U. S. subsidiaries) shall not exceed 50% of the total portfolio with no more than 10% of the total portfolio invested in any one country.
 - d. The total limitations on Federal Agency, Commercial Paper, bank obligations and corporate obligations will not apply when the total of the short-term and intermediate portfolios \$200 million or less.
 - e. Any single issuer cannot exceed the lesser of \$50 million or 10% of the portfolio.

B

REDACTED

**EXHIBIT B
to Transaction Agreement**

**MERIDIAN SPEEDWAY LLC – KANSAS CITY SOUTHERN
OPERATING AGREEMENT**

THIS AGREEMENT (the “Operating Agreement” or “Agreement”) is entered into as of this ____ day of _____, 200__, by and between MERIDIAN SPEEDWAY LLC, a Delaware limited liability company (“MSLLC”), on the one hand, and on the other hand, KANSAS CITY SOUTHERN (“KCS”) and THE KANSAS CITY SOUTHERN RAILWAY COMPANY (“KCSR”). MSLLC and KCSR are referred to individually herein as a “Party” and collectively as the “Parties”.

RECITALS:

WHEREAS, on December 1, 2005, KCS, KCSR, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation (“NSC”) entered into a transaction agreement (the “Transaction Agreement”) that, among other things, provided for the creation of MSLLC, the transfer from KCSR to MSLLC of the Subject Trackage, as hereinafter defined, the construction, at MSLLC’s cost, of certain infrastructure improvement projects and the performance of an intensive capital maintenance program, and the grant by MSLLC to Norfolk Southern Railway Company (“NSR”) and KCSR of certain rights over the entirety of the Subject Trackage; and

WHEREAS, pursuant to the Transaction Agreement, MSLLC has agreed to grant NSR certain trackage and haulage rights for NSR to transport NS Traffic over the Subject Trackage consistent with the NSR Joint Use Agreement; and

WHEREAS, pursuant to the Transaction Agreement, MSLLC has agreed to grant KCSR local and overhead trackage rights as necessary for KCSR to continue to conduct railroad operations over the Subject Trackage and to fulfill its common carrier obligations with respect to all traffic except for the right to transport NS Traffic and Third Party Traffic over the Subject Trackage consistent with the KCSR Joint Use Agreement; and

WHEREAS, the Transaction Agreement anticipates that, pursuant to an Operating Agreement, MSLLC will hire KCSR for the duration of the joint venture to perform as the designated operator (“Designated Operator”) for all railroad and other operations of MSLLC, including MSLLC railway operations required pursuant to the KCSR Joint Use Agreement and the NSR Joint Use Agreement, as well as, to perform all general and administrative services required by MSLLC; and

WHEREAS, the Parties desire to set forth the terms and conditions upon which KCSR shall provide services to MSLLC as MSLLC’s Designated Operator;

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS

- (a) Interpretation Generally.

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(i) Unless otherwise defined herein, 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.

(ii) Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. As used in this Agreement, the word “including” means “without limitation”, and the words “herein”, “hereof” and “hereunder” refer to this Agreement as a whole. All dollar amounts stated herein are in United States currency.

(iii) The division of this Agreement into sections and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to sections or subsections are to articles, sections or subsections of this Agreement.

(iv) 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 and equipment in the possession of or operated by such Party and includes such trains, locomotives, cars and equipment which are owned by, leased to, or in the account of such Party.

(b) Capitalized Terms.

All capitalized terms shall have the defined meaning set forth below:

“**Accounting Conversion Date**” shall have the meaning given that term in Section 7(a).

“**Agreement**” shall have the meaning given that term in the introductory paragraph.

“**Ancillary Agreements**” shall mean agreements assigned pursuant to the Unified Assignment and Assumption Agreement.

“**BNSF**” shall have the meaning given that term in the Recitals.

“**Claim**” or “**Claims**” shall mean any and all claims, demands, losses (including the loss of use), costs (including investigation, remedial and clean-up costs), expenses (including attorneys’, consultants’ or experts’ fees and expenses), judgments, awards, penalties, governmental action (including fines and liens), causes of action, liens, suits or liability of every kind and nature suffered, including for exemplary, special or consequential damages.

“**Designated Engineer**” shall mean Chief Engineer or designee of NSR or KCSR.

“**Designated Operator**” shall have the meaning given that term in the Recitals.

“**Effective Date**” shall have the meaning given that term in Section 10(a).

REDACTED

“Foreign Railroad” shall mean a railroad that is not a party to this Agreement.

“FRA” shall mean the Federal Railroad Administration.

“Freight Railroad Services” shall have the meaning given that term in Section 5.

“General and Administrative Services” shall have the meaning given that term in Section 6.

“Governmental Action” shall mean any applicable law, rule, regulation or ordinance promulgated by any Governmental Entity having jurisdiction.

“Governmental Entity” shall mean any federal, state, local or foreign court, administrative agency or commission or other governmental or regulatory authority or commission or any arbitration tribunal.

“Infrastructure Improvement Services” shall have the meaning given that term in Section 4.

“Infrastructure Improvement Project” shall have the meaning given that term in Section 4(a)(i).

“Infrastructure Improvement Project Cost” shall have the meaning given that term in Section 4(a)(i).

“Jackson Trackage Rights Section” shall mean the approximately four-tenths of a mile section of track in Jackson, Mississippi that is controlled by Canadian National (as successor to Illinois Central Gulf Railroad Company pursuant to that certain trackage rights agreement (the “MSR Trackage Rights Agreement”), as supplemented and amended from time to time, dated March 26, 1986, between Midsouth Rail Corporation and Illinois Central Gulf Railroad Company.

“Joint Operating Committee” shall have the meaning given that term in the Meridian Speedway LLC Agreement.

“JOC” shall mean the Joint Operating Committee.

“KCSR” shall have the meaning given that term in the introductory paragraph.

“KCSR Key Contact” shall have the meaning given that term in Section 2(j).

“KCSR Joint Use Agreement” shall have the meaning given that term in the Recitals.

“Lien” shall have the meaning given that term in Section 10(b)(i).

“LLC Agreement” shall mean the Limited Liability Company Agreement of MSLLC.

“Maintenance Services” shall have the meaning given that term in Section 3.

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“Master KCS-MSLLC Interchange Agreement” shall have the meaning given that term in the Recitals.

“Material Change” shall have the meaning given that term in Section 4(b)(iii).

“MSLLC” shall have the meaning given that term in the introductory paragraph.

“MSR Trackage Rights Agreement” shall have the meaning given that term in the Recitals.

“Monthly Statement” shall have the meaning given that term in Section 10(n)(ii).

“NSC” shall have the meaning given that term in the Recitals.

“NSR” shall have the meaning given that term in the Recitals.

“NSR Joint Use Agreement” shall have the meaning given that term in the Recitals.

“NSR Revenues” shall have the meaning given that term in Section 7(a).

“Operating Agreement” shall have the meaning given that term in the introductory paragraph.

“Parties” shall have the meaning given that term in the introductory paragraph.

“Party” shall have the meaning given that term in the introductory paragraph.

“Plans” shall have the meaning given that term in Section 4(b)(i).

“Revised Infrastructure Improvement Project Cost Estimate” shall have the meaning given that term in Section 4(d)(i).

“Services” shall have the meaning given that term in Section 2(a).

“Subject Trackage” shall have the meaning given that term in Section 1(c).

“Third Party Traffic” shall mean freight rail service provided for a Foreign Railroad under a haulage or trackage rights agreement between MSLLC and the Foreign Railroad.

“Transaction Agreement” shall have the meaning given that term in the Recitals.

“USOA” shall mean the uniform system of accounts prescribed for Class 1 railroads by the STB or any successor federal agency that succeeds to the functions of the STB in prescribing uniform systems of accounts for rail carriers, provided, that if there shall be no STB and no such federal agency, USOA shall mean such system of accounts as is generally maintained by rail carriers consistent with GAAP as applied in the rail industry.

“Work” shall mean all tasks, duties, obligations, services, requirements and activities of whatever kind or nature, express or implied, direct or incidental, to be performed, and all items

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tangible and intangible, to be provided by KCSR at the direction of MSLLC, respecting the Infrastructure Improvements pursuant to this Agreement, including but not limited to preliminary engineering design and review, construction, construction monitoring and inspection, and the furnishing of materials, supplies and equipment associated with the Infrastructure Improvement Projects.

(c) Subject Trackage and the Jackson Trackage Rights Section.

A reference to the Subject Trackage shall be:

(i) A reference to the railroad line generally running between Shreveport, LA and Meridian, MS, depicted in Appendix A – Railroad Premises Description, together with the adjacent property of every kind and description, real, personal and mixed, including the right-of-way, roadbed, tracks, track materials, poles, wire lines, signals, and other related facilities, as more fully described in Appendix A– Railroad Premises Description, and generally consisting of all the property conveyed to MSLLC from KCSR pursuant to the Transaction Agreement, excluding the Jackson Trackage Rights Section, and including any newly constructed track if constructed by MSLLC and the Jackson Flyover, if constructed; and

(ii) The Jackson Trackage Rights Section, which consists of that trackage covered by the MSR Trackage Rights Agreement, provided such MSR Trackage Rights Agreement is assigned to MSLLC.

SECTION 2. KCSR AS DESIGNATED OPERATOR

(a) MSLLC hereby retains and engages KCSR, and KCSR agrees to become and act as the Designated Operator for the Subject Trackage to provide all services as necessary or appropriate to conduct the business of MSLLC, which services shall include Maintenance Services, Infrastructure Improvement Services, Freight Railroad Services, and General and Administrative Services, on behalf of MSLLC (collectively, “Services”).

(b) It is the intention of the Parties that KCSR be compensated for its fully allocated costs in providing the Services as provided in Section 7. Damages allocated to KCSR due to application of the Uniform Liability Agreement shall not be counted as costs of provision of the Services.

(c) KCSR shall not have any liability to MSLLC or NSR based on KCSR's obligations or performance as the Designated Operator for Claims covered by the Unified Liability Agreement other than as set forth therein. With respect to FELA claims, trespasser claims, employment claims, and claims arising from train operations (including derailments, crossing accidents and collisions), KCSR's liability shall be solely as provided in the Unified Liability Agreement and nothing in this Agreement shall be a basis for any KCSR liability with respect to such claims. With respect to other third party claims, KCSR shall indemnify MSLLC and NSR for any liability caused by KCSR's breach of this Agreement. KCSR shall have no liability under this Agreement other than as set forth specifically in this paragraph (and except for the injunctive remedies provided for in Section 9(a) hereof).

REDACTED

(d) It is the intention of the Parties that Section 2(a) be read expansively, including the notion that MSLLC hires KCSR to maintain and operate the Subject Trackage as if the Subject Trackage were a continual integral part of KCSR's freight rail system, except to the extent set forth herein and except to the extent that the Services shall be performed on behalf of MSLLC rather than KCSR. In this regard, KCSR shall:

(i) act in accordance with its then-current collective bargaining agreements as if the Subject Trackage was an integral part of the KCSR railroad network;

(ii) observe and comply with any and all requirements of the constituted public authorities and with all applicable federal, state and local statutes, ordinances, regulations and standards applicable to MSLLC, KCSR or KCSR's operation of the Subject Trackage on behalf of MSLLC; and

(iii) obtain all applicable approvals, authorizations, franchises, licenses, and permits of any Governmental Entity as may be required.

As the Designated Operator, KCSR may execute agreements or other documents on behalf of MSLLC pursuant to appropriate authorization from MSLLC.

(g) KCSR's Relationship to Transported Traffic.

(i) KCSR shall not, pursuant to this Agreement, have any right (although it may have that right independent of this Agreement) to establish rates, charges, service terms, routes or divisions, or to collect freight revenues, relating to freight traffic transported over all or any portion of the Subject Trackage.

(ii) KCSR shall not, pursuant to this Agreement (although it may have that right independent of this Agreement), participate or appear in, or quote or establish, any rates, routes or divisions, or enter into any transportation contracts (other than this Agreement), relating to any freight traffic whatsoever that is transported over all or any portion of the Subject Trackage.

(iii) KCSR shall not, pursuant to this Agreement (although it may have that right independent of this Agreement), have any right to require shippers or carriers to provide to KCSR the nature, level or existence of any rates or charges levied against, charged to or otherwise applicable to shippers for traffic that moves over all or any portion of the Subject Trackage.

(iv) KCSR shall not, by reason of this Agreement (although it may have that responsibility independent of this Agreement), have any responsibility for railcar ownership costs, including per-diem charges and mileage allowances, for car hire, demurrage or detention charges for traffic that moves over all or any portion of the Subject Trackage.

(h) KCSR shall not, by reason of this Agreement, have any right to permit any rail carrier access to operate over or use the Subject Trackage via trackage rights, haulage rights or any other means.

REDACTED

(i) Access to the Railroad Premises and Provision of Equipment.

MSLLC hereby provides KCSR with access to and use of the Subject Trackage, under the terms and conditions of this Agreement, for the purposes of providing the Services. MSLLC, its members, or their respective designated representatives, shall have the right to enter upon the Subject Trackage upon reasonable notice at any time for the purpose of inspecting and examining the property, the facilities, and the performance of the obligations of KCSR hereunder.

(j) Appointment of a KCSR Key Contact

KCSR promptly shall appoint and maintain a single point of contact ("KCSR Key Contact") to provide MSLLC and its members a single person at KCSR with whom MSLLC and its members may communicate regarding the management, supervision, maintenance, and use of the Subject Trackage. The KCSR Key Contact shall be a member of the Joint Operating Committee ("JOC"), as defined in the LLC Agreement. KCSR shall promptly notify MSLLC and its members of the name and contact information of the KCSR Key Contact, and any replacement thereof.

SECTION 3. MAINTENANCE SERVICES

Maintenance Services shall include the management, administration, supervision, and performance of all Maintenance Services concerning the Subject Trackage, including but not limited to, routine maintenance and inspection, additional non-routine maintenance, and grade crossing facility maintenance.

(a) Routine Maintenance and Inspection.

KCSR shall perform the inspection and routine, non-catastrophic, and non-capital maintenance and repair of the Subject Trackage right-of-way, track, communications, and signals fixtures and appurtenances.

(b) Additional Non-Routine Maintenance and Repair.

KCSR shall perform any non-routine maintenance, repair, upgrade, or additional maintenance and repair item that is required in order to keep the Subject Trackage in the operating condition specified by Section 3(e) of this Agreement.

(c) Grade Crossing Facility Maintenance and Repair.

KCSR shall undertake and perform any grade crossing facility maintenance, repair and inspection obligation of MSLLC arising from the creation or maintenance of any public highway-railroad grade crossing or private grade crossing, including any present or future obligations that may arise as a result of the receipt of funding or other support from a Governmental Entity for the grade crossing warning devices or other highway-railroad grade crossing facility. KCSR shall undertake and perform the obligations of MSLLC pursuant to any

REDACTED

agreements covering the maintenance or operation of any public highway-railroad grade crossing of such facilities which are on or adjacent to the Subject Trackage.

(d) Ownership Of Materials

Any rails, ties and other items of track, signaling equipment or other materials that KCSR installs into the Subject Trackage in furtherance hereof shall become the property of MSLLC. Any rails, ties and other items of track, signaling equipment or other materials that KCSR removes from the Subject Trackage in furtherance hereof shall become the property of KCSR, and MSLLC shall be credited for its value regardless of whether such removed property is sold or thereafter retained by KCSR for material and supplies.

(e) Minimum Standards

In performing the Maintenance Services, KCSR shall keep and maintain the Subject Trackage, including any buildings or other structures used by or leased or occupied by KCSR thereon, in good operating condition and repair in a manner consistent with sound, accepted engineering principles and maintain the main line of the Subject Trackage to a minimum of FRA Class 3 standards, capable of handling cars of 286,000 lbs.

SECTION 4. INFRASTRUCTURE IMPROVEMENT SERVICES

(a) Requirement to Construct Specified Infrastructure Improvements.

(i) Existing Infrastructure Improvement Projects.

Subject to and in accordance with the terms and conditions of this Agreement, KCSR shall perform, at the direction of MSLLC, the Work in connection with the infrastructure improvement projects as shown on Appendix B – Infrastructure Improvement Projects. Each separate project shall be hereinafter referred to as an “Infrastructure Improvement Project,” and the cost of construction of the Infrastructure Improvement Project shall be hereinafter referred to as an “Infrastructure Improvement Project Cost.”

(ii) New Infrastructure Improvement Projects.

During the term of this Agreement, KCSR shall perform such additional Infrastructure Improvement Projects as MSLLC may from time to time require, provided, however, that no additional Infrastructure Improvement Projects shall be constructed unless approved by MSLLC’s members in accordance with the LLC Agreement.

(b) Project Plans and Specifications.

(i) Preparation and Approval.

KCSR shall prepare, and/or shall cause to be prepared, all plans, specifications and drawings necessary or appropriate to the Work to be performed by KCSR hereunder. Those plans, specifications, and drawings prepared by or on behalf of KCSR shall be

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subject to the review and approval of the JOC. If the JOC cannot reach agreement on whether or not the plans should be approved, the Management Committee shall be charged with the decision to approve the plans. Approved plans, specifications and drawings, whether in original or amended form, are referred to as the "Plans." Approved Plans shall become the property of MSLLC.

(ii) Activities Not Specified by Plans.

KCSR, in its performance and/or direction of the Work, shall provide all services that are reasonably necessary or appropriate, whether or not specified in the Plans, to preserve and maintain MSLLC's property and operations in compliance with all applicable laws, ordinances, rules and regulations of Governmental Entities and MSLLC's contractual obligations, including, but not limited to, existing or proposed third party agreements and collective bargaining agreements. Further, KCSR shall furnish, and/or shall cause to be furnished, any material necessary to the provision of such services, and shall perform, and/or shall cause to be performed, any such activities as fully as if they were particularly delineated or described by the Plans.

(iii) Material Changes.

In the event that KCSR determines that the Work or materials to be provided by KCSR pursuant to this Agreement will require a material deviation from the Plans or determines that an unanticipated condition(s) will result in an increase of the costs of any particular Infrastructure Improvement Project in excess of ten percent (10%) of the costs for said particular Infrastructure Improvement Project or the total estimated costs, as the case may be (in any case, a "Material Change"), KCSR shall promptly notify the JOC and act in accordance with its direction.

(iv) Effect of Approval of Plans.

By its review and approval of Plans by the JOC or the Management Committee, KCSR, MSLLC, and NSR signify that such Plans and improvements constructed in accordance with the Plans satisfy their approval.

(v) Compliance with Plans.

KCSR shall construct the Infrastructure Improvement Projects in accordance with the Plans, as may be modified from time to time.

(c) Conduct of Work.

(i) Right(s) of Entry.

MSLLC grants to KCSR and NSR, and to the extent necessary KCSR grants to MSLLC and NSR, a non-exclusive right and permission to enter upon MSLLC's and KCSR's respective property to the extent reasonable and necessary for the performance, supervision and oversight of the Work, along such routes and upon such terms as may be

REDACTED

defined and imposed by MSLLC, and upon such temporary construction easements as may be designated on the Plans.

(ii) Property Acquisition.

If any additional real property interests are needed in order to construct an Infrastructure Improvement Project, MSLLC shall be solely responsible for acquiring such real property interests at MSLLC's sole expense. The acquisition of sufficient interest to the real property as may be needed for performance of an Infrastructure Improvement Project will be a precondition to KCSR's responsibility to construct such Infrastructure Improvement Project.

(iii) Construction Schedule.

Upon approval of Plans, KCSR shall develop a construction schedule satisfactory to the JOC or the Management Committee. KCSR shall use commercially reasonable efforts to attempt completion of the Infrastructure Improvement Project within the construction schedule. Consistent with this Agreement, KCSR shall manage and execute the Work to cause the least practicable amount of interference with the operation, management, maintenance, business, or traffic over the Subject Trackage.

(iv) Provision of Labor, Materials And Equipment

KCSR shall furnish, and/or shall cause to be furnished, all labor, materials, supplies, tools, and equipment needed for the Infrastructure Improvement Projects.

(v) Workmanship and Material Standards.

All materials of every description furnished by KCSR under this Agreement and all workmanship shall be of a grade specified in Plans, and such material shall be of an acceptable quality for the purpose intended.

(vii) Safety and Operating Rules.

KCSR shall use the utmost diligence in the prosecution of the Work pertaining to the Infrastructure Improvement Projects to effectively guard against all accidents on or damages to the Subject Trackage in its performance of the Work.

(d) Cost of the Construction of the Infrastructure Improvement Projects.

(i) KCSR and NSR have estimated the cost of construction of the Infrastructure Improvements Projects as shown by the cost statement attached as Appendix C – Infrastructure Improvement Project Cost Estimate. The Designated Engineers for each party will meet at least once each quarter to discuss the progress of the Work and to review the actual Infrastructure Improvement Project Costs incurred up to that point. In the event that KCSR anticipates that actual Infrastructure Improvement Project Costs may exceed such estimate by ten percent (10%) or more, (including, but not limited to, Material Changes), KCSR shall provide MSLLC and NSR with a proposed

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Revised Infrastructure Improvement Project Cost estimate for MSLLC's and NSR's review. If the Designated Engineers mutually determine that a new estimate is required, KCSR shall prepare same and submit it to the JOC for approval. Upon the JOC's approval, or the approval of the Management Committee if the JOC cannot reach agreement, of the proposed revised estimate, such revised estimate shall replace Appendix C of this Agreement ("Infrastructure Improvement Project Cost Estimate"). The Revised Infrastructure Improvement Project Cost Estimate will then govern the Infrastructure Improvement Project Costs for the Work.

(ii) MSLLC shall bear the Infrastructure Improvement Project Costs.

(e) Invoices.

(i) From time to time, KCSR shall submit statements to MSLLC, with a copy to NSR, for Infrastructure Improvement Project Costs incurred at the direction of MSLLC. MSLLC shall remit payment of the invoiced sum to KCSR within thirty (30) days following receipt of such invoice.

(ii) Following the completion of each Infrastructure Improvement Project, KCSR shall submit to MSLLC, with a copy to NSR, a final invoice for that Infrastructure Improvement Project that shall reconcile the total Infrastructure Improvement Project Cost, less the total payments received by KCSR for such Infrastructure Improvement Project, less the total outside or third-party funding received for the Infrastructure Improvement Project (if any). Within thirty (30) days of delivery of such invoice, MSLLC shall then pay the balance of unpaid Infrastructure Improvement Project Costs to KCSR.

(iii) Invoices submitted by KCSR pursuant to this Section 4 shall have sufficient detail (including identification of any applicable Infrastructure Improvement Project component) that will reasonably enable MSLLC and NSR to verify the invoices and statements and to audit work performed. No payments shall be withheld on account of a billing dispute. Disputes shall be resolved in accordance with the provisions of Section 11(e) of this Agreement. KCSR shall maintain records pertaining to Infrastructure Improvement Project Costs and shall allow the other parties reasonable access to such records for the purpose of verifying Infrastructure Improvement Project Costs.

(f) Payment on Invoices.

All invoices from KCSR to MSLLC pursuant to this Section 4 shall be delivered to MSLLC and NSR in accordance with Section 11(f) of this Agreement. All payments shall be made by electronic funds transfer or by a check.

(g) Completion of Project.

Each Infrastructure Improvement Project shall be deemed completed upon the final inspection and acceptance of all Work by each of the Designated Engineers or their respective representatives, and shall be confirmed by a certification letter executed by the respective

REDACTED

Designated Engineers designating the date of completion of said Infrastructure Improvement Project.

(h) Permits.

KCSR shall prepare, prosecute and procure in MSLLC's name and account all permits and/or approvals required by any Governmental Entity for the Work and/or completion of the Infrastructure Improvement Projects.

(i) Dispute Resolution.

In the event of a dispute between them as to any matter arising under Section 4 of this Agreement that solely concerns design and construction of the Infrastructure Improvement Projects, the Designated Engineers shall attempt to resolve such dispute. If they are unable to do so, the Designated Engineers shall submit the matter to the JOC. If the JOC is unable to resolve the dispute, the Management Committee shall resolve the dispute in accordance with the LLC Agreement.

(j) Ownership of Infrastructure Improvements.

KCSR's construction of any and all Infrastructure Improvement Projects shall be performed on behalf of MSLLC, and ownership of said Infrastructure Improvements Projects shall, as between KCSR and MSLLC, lie with MSLLC. Upon completion of an Infrastructure Improvement Project, said Infrastructure Improvement Project shall become a part of the Subject Trackage covered by this Agreement.

SECTION 5 – FREIGHT RAILROAD SERVICES

Freight Railroad Services shall include the management, administration, supervision, and performance of all railroad services over the Subject Trackage on behalf of MSLLC, including but not limited to the following:

- (a) provision of haulage services and access for trackage rights pursuant to the NSR Joint Use Agreement and the KCSR Joint Use Agreement;
- (b) in accordance with the NSR Joint Use Agreement and the KCSR Joint Use Agreement, provide schedules and timetables for regularly scheduled trains operating over the Subject Trackage, as well as any proposed modifications thereto, to each of MSLLC, NSR and KCSR, and to such other carriers or persons as MSLLC may specifically direct;
- (c) provision of train and crew dispatching, scheduling and traffic movement control, switching and yard services, for all trains over the Subject Trackage, as directed by MSLLC;
- (d) weighing railcars when requested, required, or needed;
- (e) provision of fuel, sand, and service for locomotives when required, requested, or needed;

REDACTED

(f) provision of such labor and materials as may be required to perform, and performance of light repairs on bad ordered railcars as may be necessary to make such railcars legal and safe for movement, or, for any such bad ordered railcars that cannot reasonably be made legal and safe for movement, arrangement for the appropriate removal of the affected railcar in accordance with MSLLC's instructions;

(g) provision of special services from time to time as is requested by MSLLC with respect to trains, locomotives and railcars;

(h) provision of rerailling, wrecking service or wrecking train service as may be required, including the repair and restoration of roadbed, track, structures and the environment, as promptly as possible;

(i) preparation of an Operating Plan and operating protocols, which shall be subject to the review and approval of JOC or the Management Committee;

(j) preparation and submission to the JOC and the Management Committee of a program maintenance plan.

SECTION 6. GENERAL AND ADMINISTRATIVE SERVICES

(a) General and Administrative Services shall include the management, administration, supervision and performance of all general and administrative services necessary or appropriate to conduct the business of MSLLC, including, but not limited to:

- (i) accounting, treasury, and tax services;
- (ii) legal services, pursuant to the direction of MSLLC;
- (iii) claims handling;
- (iv) information technology services;
- (v) ancillary agreement management;
- (vi) human resources and labor relations services.

(b) Ancillary Agreement Management

(i) KCSR shall manage, on behalf of MSLLC, any Ancillary Agreements that are assigned to MSLLC pursuant to the Omnibus Assignment and Assumption Agreement. Such management shall include the collection and payment of rents and fees, the providing and receipt of notices and other communications as required or advisable, and the performance and receipt of the performance of such other acts as may be required or advisable under such Ancillary Agreements, all in accordance with the terms and conditions thereof and KCSR's existing practices.

(ii) Within a reasonable period of time prior to the date such action is

REDACTED

required, KCSR shall present to MSLLC any Ancillary Agreement subject to renewal or termination, together with KCSR's recommendation concerning renewal or termination. Upon approval of the JOC or the Management Committee, KCSR shall review and execute all documents reasonably required for such renewal or termination.

(iii) KCSR shall account to MSLLC for any amounts received and any amounts paid by KCSR pursuant to such agreement.

(iv) KCSR shall negotiate agreements similar to the Ancillary Agreements upon direction of, and for the execution of, MSLLC. MSLLC shall be a party to all the same. KCSR shall report periodically to MSLLC the nature of said proposed new ancillary agreements, as well as the status of any negotiations thereof. KCSR shall provide any negotiated new MSLLC ancillary agreement to the JOC for review and execution.

(v) Once a new ancillary agreement has been assigned to MSLLC, that agreement shall become an ancillary agreement to be managed by KCSR pursuant to this Section.

(c) Books of Record and Account And Access To Same.

KCSR shall keep proper books of record and account in which full and correct entries shall be made of all costs, expenses, and revenues performed as part of its Services. Such books of record and account shall be in accordance with then-current generally accepted accounting principles and the USOA and shall be readily identifiable by distinct accounting codes. KCSR shall give to each of MSLLC and NSR access, during normal business hours, to inspect and make copies of any and all books of record and accounts relating to this Agreement, all of which shall be maintained by KCSR at its headquarters in Kansas City, MO, or such other location as KCSR shall specify to MSLLC and NSR from time to time.

SECTION 7. COMPENSATION

(a) Until [

], MSLLC shall pay to KCSR an Operating Fee [

].

(b) Subsequent to [], MSLLC shall pay to KCSR an Operating Fee equal to[

REDACTED

].

SECTION 8. TERM AND TERMINATION

(a) Effective Date.

This Agreement shall become effective following the latest date of: (i) the date first written above; (ii) receipt of any required regulatory approvals or exemptions; and (iii) the expiration of any time periods required by the issuance of labor notices by KCSR and/or MSLLC, should such labor notices be required ("Effective Date"). The Parties shall determine the Effective Date through an exchange of written correspondence.

(b) Term.

This Agreement shall commence on the Effective Date, and, except as provided for in Section 8(c), shall continue for the duration of the joint venture or until terminated hereunder.

(c) Termination.

(i) This Agreement shall be terminated, without penalty or payment to either Party, should MSLLC no longer own or control the Subject Trackage.

(ii) This Agreement shall be terminated, without penalty or payment to either Party, should KCSR discontinue railroad operations pursuant to the KCSR Joint Use Agreement over all or substantially all of the Subject Trackage.

(iii) This Agreement may be terminated, without penalty or payment to either Party, by mutual agreement of the Parties.

SECTION 9. REMEDIES AND INSURANCE

(a) Breach of this Agreement.

Each Party acknowledges and agrees that the other Party would be irreparably damaged in the event any of the provisions of this Agreement were not performed by it in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, except as provided in Section 2(c), each Party shall be entitled to an injunction or injunctions to prevent further breaches of such provisions and to specifically enforce such provisions as the exclusive remedy for breaches of this Agreement.

(b) Service Standard Failure Indemnification.

KCSR shall indemnify MSLLC for any Service Standard Failure payment requirement in accordance with the NSR Joint Use Agreement. No costs associated with the indemnification provided by KCSR pursuant to this Section 9(b) shall be considered to be a cost of providing services for the purpose of determining compensation payable to KCSR under this Agreement.

REDACTED

(c) Insurance.

KCSR shall ensure that the Subject Trackage and all services provided by KCSR pursuant to this Agreement are at all times covered by insurance to the same degree and in the same manner as maintained from time to time by KCSR and its affiliates for comparable property and operations. In addition, KCSR shall cause MSLLC and NSR to be named as additional named insureds under any and all such policies.

SECTION 10. CONDEMNATION AND LIENS

(a) Condemnation.

If any or all of the Subject Trackage is condemned or taken by any competent authority, the award for payment of damages resulting therefrom, or any amount paid in settlement thereof, shall be paid to and retained by, in its entirety, MSLLC and no other Party shall have a claim to such proceeds. If the entire Subject Trackage is so taken, or such substantial portion thereof as shall materially impair or interfere with KCSR's ability to perform the Services, this Agreement shall terminate as of the date of such taking, without penalty to either Party, otherwise this Agreement shall continue in full force and effect as to the remainder thereof.

(b) Liens.

(i) KCSR shall not create, permit to be created, or permit to remain undischarged, any contingent or actual lien or other encumbrance of any kind (each a "Lien") as to the Subject Trackage that: (A) arise out of the obligations it has undertaken pursuant to this Agreement; (B) involve materials and/or supplies furnished and/or delivered by KCSR; or (C) arise out of any mortgage, conditional sale, security agreement or chattel mortgage not related to the Transaction Agreement.

(ii) KCSR shall provide notice to MSLLC and NSR of any Lien against the Subject Trackage or any part thereof. KCSR shall, within ten (10) days after demand from MSLLC or NSR, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise at MSLLC's expense. If KCSR fails to cause such Lien to be discharged within the aforesaid time, then MSLLC or NSR may arrange to discharge such Lien by the lienor and pay the amount of the judgment in favor of the lienor with interest, costs and allowances.

SECTION 11. PROVISIONS OF GENERAL APPLICATION

(a) Mileage and Car Hire.

As between KCSR and MSLLC, nothing in this Agreement shall modify any existing mileage and car hire charges allocations or any mileage and car hire charges obligations pursuant to the NSR Joint Use Agreement or the KCSR Joint Use Agreement .

(b) Force Majeure.

REDACTED

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including strikes, riots, floods, accidents, Acts of God, acts of terrorism, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

(c) Successors and Assigns.

(i) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns. Third party beneficiary status shall inure to the benefit of NSR and each of its successors and permitted assigns.

(ii) Except as otherwise specifically provided hereinafter, neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party.

(iii) In the event of a sale of substantially all of the assets or business of KCSR, or the merger or consolidation of KCSR into or with a firm or corporation not controlled by KCS, KCSR may, without the prior consent of MSLLC, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of KCSR, or merging or consolidating with KCSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of KCSR under this Agreement that existed prior to such assignment.

(iv) In the event of a sale of substantially all of the assets or business of MSLLC, or the merger or consolidation of MSLLC, MSLLC may, without the prior consent of KCSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of MSLLC, or merging or consolidating with MSLLC; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of MSLLC under this Agreement that existed prior to such assignment.

(d) Invalid or Unenforceable Provisions.

If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

REDACTED

(e) Arbitration.

(i) Except as otherwise provided for in this Agreement, any dispute arising between the Parties with respect to an alleged breach of this Agreement shall be referred to the JOC for resolution and if the JOC is unable to resolve the dispute, it shall be referred to the Management Committee, provided however, that any Member (as defined in the LLC Agreement) may submit the dispute for binding arbitration by a panel of three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall render a written decision on the controversy. The written decision of the arbitrators, reached upon a majority vote, shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, experts, and counsel. The compensation, costs, and expenses of the three arbitrators, if any, shall be borne by KCSR and MSLLC, with each paying 50 percent of such compensation, costs, and expenses. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws, or to render any award for damages other than is provided for in Section 2(c). Pending the written decision of the arbitrators, there shall be no interruption in the transaction of business under this Agreement, and all payments in respect thereto shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been fully determined by arbitration.

(ii) As a Third Party Beneficiary, NSR may initiate and prosecute arbitration pursuant to this Section 11(e) on behalf of MSLLC. Provided that MSLLC does not enter into the arbitration in its own stead, MSLLC shall cooperate with NSR in the preparation for, and the initiation and prosecution of, such arbitration, at NSR's expense.

(f) Notice.

Any notice required or permitted to be given by one Party to the other Party 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:

(i) If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

(ii) If to MSLLC:

REDACTED

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

(iii) If to NSR:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

Any of MSLLC, KCSR or NSR may provide changes in the above addresses to the others by personal service or certified mail.

(g) Confidentiality.

(i) Except as provided by law or by rule, order, or regulation of any Governmental Entity or the New York Stock Exchange, or in connection with an audit by the Internal Revenue Service or other tax authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Agreement, during the Term of this Agreement, and for a period of three (3) years after termination of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by

REDACTED

either Party to any person other than members, officers, employees, independent auditors and attorneys, without the prior written approval of the other Party.

(ii) Notwithstanding the foregoing Section 10(g)(i), the Parties acknowledge and agree that in any STB proceeding, the Parties may be required to submit this Agreement into the record. The Parties will propose to request a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with the highly confidential provisions redacted) may be entered into the public STB record and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

(h) Third Party Beneficiaries.

This Operating Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party, except NSR.

(i) Entire Understanding.

This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(j) Waiver.

No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by all Parties. No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(k) Drafters.

This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

(l) Choice of Law.

This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

(m) Execution in Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

REDACTED

(n) Invoices and Payment of Bills.

(i) Except with regard to invoices and payments of bills covered by Section 4(e), this Section 10(n) shall govern the invoicing and payment of bills for matters arising pursuant to this Agreement.

(ii) On or before the 15th day of each calendar month during the term of this Agreement, KCSR shall prepare and deliver to MSLLC and NSR a statement setting forth the charges to be invoiced in accordance with agreement and the basis for the charges, (the Monthly Statement"). KCSR shall deliver the Monthly Statement to MSLLC and to NSR's designee in electronic format. MSLLC shall make payment to KCSR within thirty (30) days after the date of such Monthly Statement, with confirmation of such payment provided to NSR.

(iii) Any dispute regarding the amount of a Monthly Statement shall be reconciled between the Parties (including NSR) using the JOC or the Management Committee, and any adjustment resulting from such reconciliation shall be reflected in a subsequent Monthly Statement. If MSLLC or NSR disputes any portion of a Monthly Statement, MSLLC shall nevertheless pay such Monthly Statement in full, subject to adjustment upon resolution of the dispute; provided, however, that (A) no exception to any charge in a Monthly Statement shall be honored, recognized or considered if filed after the expiration of three (3) years from the date of the Monthly Statement, and (B) no invoice shall be rendered more than three (3) years (a) after the last day of the calendar month in which the expense covered thereby is incurred, or (b) in the case of charges disputed as to amount or liability, after the amount owed or liability therefor is established. Any claim for the adjustment of a Monthly Statement shall be deemed to be waived if not made in writing within three (3) years after the date of the relevant Monthly Statement.

(iv) All invoices submitted by KCSR under this Agreement shall be consistent with the books and records maintained by KCSR pursuant to Section 7(a) hereof.

SECTION 12. AUDIT

KCSR, MSLLC, and NSR shall each have the right to audit the records of the other Parties pertaining to the subject matter of this Agreement, with each Party bearing its own expense, and any invoice issued by KCSR pursuant to this Agreement, provided such audit is initiated at any time within three (3) years of the date of the relevant invoice. All such audits shall be conducted at reasonable intervals, locations, and times. All such audits shall be prosecuted with reasonable due diligence. Each agrees that all information disclosed to it or its representatives in connection with such an audit will be held in strictest confidence and will not be disclosed to any third party (other than to an arbitrator in connection with an arbitration conducted pursuant this Agreement or as required by applicable law). Any adjustment resulting from an audit conducted pursuant to this Section 12 with respect to which KCSR, MSLLC, and NSR are in concurrence shall be reflected in a subsequent invoice.

SECTION 13. STATUS OF KCSR

REDACTED

(a) In the performance of the services described herein, KCSR shall be an independent contractor of MSLLC. KCSR shall have managerial control with respect to the provision of the Services provided hereunder. All personnel of KCSR shall be subject to the direction, supervision and control of KCSR and not MSLLC or NSR. Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking between KCSR and MSLLC.

(b) For the Services provided by KCSR pursuant to this Agreement, KCSR may engage the services of subcontractors or agents to the extent consistent with KCSR's collective bargaining agreements.

REDACTED

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

As to KCSR

By: _____

WITNESS:

KANSAS CITY SOUTHERN

As to KCS

By: _____

WITNESS:

MERIDIAN SPEEDWAY LLC

As to MSLLC

By: _____

Acknowledgement:

NORFOLK SOUTHERN
RAILWAY COMPANY

Per: _____

REDACTED

INDEX TO APPENDICES

APPENDIX A	RAILROAD PREMISES DESCRIPTION
APPENDIX B	INFRASTRUCTURE IMPROVEMENT PROJECTS
APPENDIX C	INFRASTRUCTURE IMPROVEMENT PROJECT COST ESTIMATES

C

REDACTED

**EXHIBIT C
to Transaction Agreement**

**NORFOLK SOUTHERN RAILWAY COMPANY – MERIDIAN SPEEDWAY LLC
JOINT USE AGREEMENT**

THIS AGREEMENT (the “NSR Joint Use Agreement” or “Agreement”) is entered into as of this ____ day of _____, 200__, by and between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation (“NSR”), KANSAS CITY SOUTHERN (“KCS”) AND THE KANSAS CITY SOUTHERN RAILWAY COMPANY, (“KCSR”), and MERIDIAN SPEEDWAY LLC, a Delaware limited liability company (“MSLLC”). NSR, MSLLC, and KCSR are referred to individually herein as a “Party” and collectively as the “Parties”.

RECITALS:

WHEREAS, on December 1, 2005, KCS, KCSR, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation (“NSC”) entered into a transaction agreement (the “Transaction Agreement”) that, among other things, provided for the creation of MSLLC, the transfer from KCSR to MSLLC of the Subject Trackage as defined herein, the construction, at MSLLC’s cost, of certain infrastructure improvement projects, and the grant by MSLLC to Norfolk Southern Railway Company and KCSR of certain rights over the entirety of the Subject Trackage; and

WHEREAS, pursuant to the Transaction Agreement, MSLLC has agreed to grant NSR certain trackage and haulage rights for NSR to transport NS Traffic over the Subject Trackage; and

WHEREAS, pursuant to the Transaction Agreement, MSLLC has agreed to grant KCSR local and overhead trackage rights as necessary for KCSR to continue to conduct railroad operations over the Subject Trackage and to fulfill its common carrier obligations with respect to all traffic except for the right to transport NS Traffic and Third Party Traffic over the Subject Trackage (“KCS Trackage Rights”); and

WHEREAS, the Transaction Agreement anticipates that, pursuant to an Operating Agreement, MSLLC will hire KCSR to perform as the designated operator (“Designated Operator”) for all railroad operations on behalf of MSLLC, including MSLLC railway operations required pursuant to the KCSR Joint Use Agreement and the NSR Joint Use Agreement, and

WHEREAS, the route traversed by traffic moving pursuant to this Joint Use Agreement includes approximately four-tenths of a mile section of track in Jackson, Mississippi that is controlled by Canadian National (as successor to Illinois Central Gulf Railroad Company) (the “Jackson Trackage Rights Section”) pursuant to that certain trackage rights agreement (the “MSR Trackage Rights Agreement”), as supplemented and amended from time to time, dated March 26, 1986, between Midsouth Rail Corporation and Illinois Central Gulf Railroad Company; and

WHEREAS, pursuant to the Transaction Agreement, KCSR shall provide haulage (“KCSR Haulage”) for NSR over the Jackson Trackage Rights Section until either the MSR

REDACTED

Trackage Rights Agreement is assigned to MSLLC or MSLLC constructs a “flyover” bridge to carry MSLLC’s tracks over the tracks and real property of Canadian National Railway Company at Jackson, MS which establishes a continuous line of rail between Shreveport and Meridian (the “Jackson Flyover”); and

WHEREAS, the Parties intend that the MSR Trackage Rights Agreement will be assigned to MSLLC and the Parties desire to set forth the terms and conditions upon which MSLLC shall provide haulage services to KCSR and NSR over the Jackson Trackage Rights Section in the event of such assignment; and

WHEREAS, pursuant to an agreement of even date herewith between KCSR and MSLLC (the “Master KCSR-MSLLC Interchange Agreement”), MSLLC and KCSR have documented, among other things, the method for the physical interchange of traffic between KCSR and MSLLC at points on the Subject Trackage; and

WHEREAS, the Transaction Agreement anticipates that, pursuant to a haulage agreement, KCSR will provide haulage for NSR for certain traffic between Shreveport, LA, on the one hand, and an interchange point with BNSF Railway Company (“BNSF”) in the Dallas, TX area, on the other hand (the “Western Haulage Agreement”); and

WHEREAS, the rights granted in this NSR Joint Use Agreement are intended to be connective with: (a) the Union Pacific Railroad Company (or its subsidiaries and its successors) at Shreveport; and (b) KCSR (or its subsidiaries and its successors) at Shreveport, either (i) moving traffic to a BNSF connection in the Dallas area or Shreveport; or (ii) hauling traffic for NSR under the Western Haulage Agreement; and

WHEREAS, pursuant to the Transaction Agreement, that certain Interchange Agreement between KCSR and NSR dated as of June 4, 1986, as supplemented as of January 24, 2003 (the “Meridian Interchange Agreement”) has been assigned to MSLLC; and

WHEREAS, the Parties desire to set forth the terms and conditions upon which MSLLC has agreed to grant NSR certain trackage and haulage rights for NSR to transport NS Traffic over the Subject Trackage;

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

(a) Interpretation Generally.

(i) Unless otherwise defined herein, 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.

REDACTED

(ii) Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. As used in this Agreement, the word “including” means “without limitation”, and the words “herein”, “hereof” and “hereunder” refer to this Agreement as a whole. All dollar amounts stated herein are in United States currency.

(b) Capitalized Terms.

All capitalized terms shall have the defined meaning set forth below:

“**Abandonment Notice Period**” shall have the meaning given to that term in Section 7(m)(iii).

“**Abandonment Segment**” shall have the meaning given to that term in Section 7(m)(i).

“**Additional Compensation**” shall have the meaning given to that term in Appendix B, Section 1.A(2)(b).

“**Agreement**” shall have the meaning given to that term in the introductory paragraph.

“**AAR**” shall have the meaning given to that term in Section 6(e).

“**BNSF**” shall have the meaning given to that term in the Recitals.

“**Cars**” means each loaded or empty railroad freight car (including platform and well rail cars) or similar equipment.

“**Clearance File**” shall have the meaning given to that term in Section 6(f).

“**Cost Factor**” shall have the meaning given to that term in Section 1.D.2 of Appendix B – Commercial Appendix.

“**CTC**” shall have the meaning given to that term in Section 6(a)(iv).

“**Dallas Intermodal Terminal Traffic**” means all domestic intermodal containers or trailers with an origin and destination in the United States, with a lift or drop at KCSR’s Dallas Intermodal terminal, that moves over the Subject Trackage and over KCSR’s tracks between Shreveport and the terminal, and that originates or terminates at or east of Meridian, and that originates or terminates at or west of the Dallas / Ft. Worth, TX. Standard Metropolitan Statistical Area (SMSA) as published by the Office of Management and Budget (OMB).

“**Dallas Terminal Marketing Agreement**” shall mean that certain Dallas Terminal Marketing Agreement dated the date hereof by and between NSR and KCSR.

“**Designated Operator**” shall have the meaning given to that term in the Recitals.

REDACTED

“Effective Date” shall have the meaning given to that term in Section 7(f)(i).

“Election Notice” shall have the meaning given to that term in Section 2(a)(ii).

“End Points” shall mean: (1) Meridian, MS, M.P. 0.0; and (2) Shreveport, LA, M.P. V-169.85.

“EOTs” shall have the meaning given to that term in Section 2(b)(ii).

“Equipment” shall mean and be confined to hi-rail vehicles, track inspection equipment and other non-revenue vehicles and machinery (other than locomotives) capable of being operated on railroad tracks that, at the time of an occurrence, are (i) being operated on the trackage upon which such occurrence takes place, or (ii) are on the trackage upon which such occurrence takes place, or on the adjoining right-of-way, for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.

“Exercise Notice” shall have the meaning given to that term in Section 7(l)(iii).

“FMV” shall have the meaning given to that term in Section 7(l)(iii).

“Foreign Railroad” shall mean a railroad that is not a party to this Agreement.

“Foreign Railroad Interchange Agreement” shall have the meaning given to that term in Section 3(b).

“Imbalanced Market” shall have the meaning given to that term in Section 3(b)(ii) of Appendix B – Commercial Appendix.

“Imbalance Threshold” shall have the meaning given to that term in Section 4 of Appendix B – Commercial Appendix.

“Jackson Flyover” shall have the meaning given to that term in the Recitals.

“Jackson Trackage Rights Section” shall have the meaning given to that term in the Recitals.

“JOC” shall have the meaning given to that term in Section 6(a)(ii).

“KCS” shall have the meaning given to that term in the Recitals.

“KCSR” shall have the meaning given to that term in the introductory paragraph.

“KCSR Haulage” shall have the meaning given to that term in the Recitals.

REDACTED

“KCSR Trackage Rights” shall have the meaning given to that term in the Recitals.

“Liquidated Damages” shall have the meaning given to that term in Section 2(b)(i) of Appendix B – Commercial Appendix.

“Management Committee” shall mean the Management Committee of MSLLC as provided in the LLC Agreement.

“Master KCS-MSLLC Interchange Agreement” shall have the meaning given to that term in the Recitals.

“Meridian Interchange Agreement” shall have the meaning given to that term in the Recitals.

“Monthly Statement” shall have the meaning given to that term in Section 7(b)(i).

“MSLLC” shall have the meaning given to that term in the introductory paragraph.

“MSR Trackage Rights Agreement” shall have the meaning given to that term in the Recitals.

“NS Traffic” shall mean all intermodal traffic that: (i) originates or terminates in the United States west of Dallas/Ft. Worth (including intermodal traffic originating by steamship line at a port along the west coast of the United States) and enters or exits the Subject Trackage at Shreveport; and (ii) originates or terminates in the United States at or east of Meridian and enters or exits the Subject Trackage at Meridian; and (iii) does not consist of traffic originating or terminating at any station on the KCSR system which includes the Texas Mexican Railway Company, (including any station where KCSR, or the Texas Mexican Railway Company have trackage rights or access via reciprocal switch), as it exists on the date of the Transaction Agreement.

“NSC” shall have the meaning given to that term in the Recitals.

“NSR” shall have the meaning given to that term in the introductory paragraph.

“NSR Cars” shall mean Cars and Equipment in the revenue and/or car hire account of NSR.

“NSR Haulage Cars” shall mean NSR Cars being transported pursuant to NSR Haulage Rights.

“NSR Haulage Rights” shall have the meaning given to that term in Section 2(b).

“NSR Joint Use Agreement” shall have the meaning given to that term in the introductory paragraph.

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“NSR Master Locomotive Run Through Agreement” shall have the meaning given to that term in Section 2(b)(iii).

“NSR Trackage Rights” shall have the meaning given to that term in Section 2(a).

“NSR Trackage and Haulage Rights” shall mean the rights granted in Sections 2(a) and 2(b).

“Operating Agreement” shall have the meaning given to that term in the Recitals.

“Parties” shall have the meaning given to that term in the introductory paragraph.

“Party” shall have the meaning given to that term in the introductory paragraph.

“Permitted Asset Transfer” shall have the meaning given to that term in the LLC Agreement.

“Qualifying Trains” shall have the meaning given to that term in Appendix B.

“Revenue Factor” shall have the meaning given to that term in Section 1.D.1. of Appendix B – Commercial Appendix.

“RPU” shall have the meaning given to that term in Section 1.E(i)(b) of Appendix B – Commercial Appendix.

“Service Reports” shall have the meaning given to that term in Section 2(a)(ii).

“Shortfall Damages” shall have the meaning given to that term in Section 3(a) of Appendix B – Commercial Appendix.

“STB” shall mean the Surface Transportation Board or any successor entity thereto.

“Subject Trackage” shall mean the certain lines of railroad generally running between Meridian, MS and Shreveport, LA as defined in the Transaction Agreement, together with the Jackson Flyover, as hereinafter defined, when constructed, and a bridge over the Mississippi River at Vicksburg.

“Third Party Traffic” shall mean freight rail service provided for a Foreign Railroad under a haulage or trackage rights agreement between MSLLC and the Foreign Railroad.

“Transaction Agreement” shall have the meaning given to that term in the Recitals.

“Triggering Event Notice” shall have the meaning given to that term in Section 2(a)(ii).

“UP” shall mean the Union Pacific Railroad Company or any of its subsidiaries.

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“Use Invoice” shall have the meaning given to that term in Section 7(b)(i).

“Waiver Notice” shall have the meaning given to that term in Section 7(m)(v).

“Weighted Cost Adjustment Factor” shall have the meaning given to that term in Section 1.D. of Appendix B – Commercial Appendix.

“Western Haulage Agreement” shall have the meaning given to that term in the Recitals.

(c) Successor Laws.

A reference to any particular statute or regulation shall include a reference to any successor statute or regulation.

SECTION 2. OPERATING RIGHTS

(a) Trackage Rights.

(i) Pursuant to the Transaction Agreement and subject to the terms set forth in this Agreement, MSLLC hereby grants NSR trackage rights for the sole purpose of transporting NS Traffic over the Subject Trackage, excluding the Jackson Trackage Rights Section, and of fulfilling its common carrier obligations with respect to NS Traffic (collectively, “NSR Trackage Rights”). These rights include, but are not limited to, the right to operate its trains, locomotives, cars, and Equipment with its own crews over the entirety of the Subject Trackage, excluding the Jackson Trackage Rights Section. NSR’s use of the NSR Trackage Rights shall be subject to the limitations and restrictions set forth in this Section 2(a).

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(ii) NSR shall not exercise its trackage rights unless and until: (A) a Major Service Standard Failure, as defined in Appendix B to this Agreement, has occurred; or (B) a Permitted Asset Transfer as defined in the LLC Agreement has occurred. MSLLC shall provide NSR with monthly reports, quarterly reports and annual reports ("Service Reports") that will provide data to NSR sufficient to permit it to determine whether a Major Service Standard Failure has occurred. MSLLC shall provide NSR written notice ("Triggering Event Notice") of the happening of a Permitted Asset Transfer. NSR shall have sixty (60) days from the receipt of the Service Report that demonstrates that a Major Service Standard Failure has occurred, and sixty (60) days from the receipt of a Triggering Event Notice, as the case may be, to provide MSLLC written notice, a copy to KCSR, making an election to exercise its trackage rights ("Election Notice"), which such Election Notice will specify the date for beginning use of the trackage rights, such date may be up to six (6) months after the delivery of the Election Notice. Failure to exercise its rights under this subsection at any one time shall not prejudice NSR's rights to exercise its rights at any subsequent time.

(iii) NSR locomotives and crews operating over the Subject Trackage shall be equipped to communicate with MSLLC on radio frequencies normally used by MSLLC in directing train movements on the Subject Trackage.

(iv) NSR's operations over the Subject Trackage shall at all times be subject to the direction and control of the Designated Operator and comply in all respects with the safety rules, operating rules and other regulations of the Designated Operator.

(v) NSR shall make such arrangements with MSLLC as may be required to have all of its employees who shall operate its trains, locomotives, cars and Equipment over the Subject Trackage qualified for operation thereover. MSLLC shall provide reasonable cooperation and assistance in the qualification of NSR operating (train and engine) crews for service over the Subject Trackage upon request. NSR supervisory personnel who have been qualified to operate over the Subject Trackage may qualify other NSR employees for operation of trains over the Subject Trackage.

(vi) MSLLC shall allow NSR to, at NSR's sole cost, establish, locate and construct personnel facilities for changing crews on NSR trains that are moving pursuant to this Section 2(a), but shall not impose a lease fee for the property upon which such personnel facilities are located. The design and location of any such facility shall be pre-approved by MSLLC, said approval not to be unreasonably withheld or delayed.

(vii) The compensation for the trackage rights shall be typical in the industry for overhead intermodal trackage rights and consistent with STB decisional principles for the determination of the same.

(b) Grant of Haulage Rights.

Pursuant to the Transaction Agreement and consistent with the terms of this Agreement, MSLLC hereby grants NSR haulage rights for the sole purpose of transporting NS Traffic over the Subject Trackage, including the Jackson Trackage Rights Section (collectively, "NSR

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Haulage Rights"). NSR's use of its Haulage Rights shall be subject to the limitations and restrictions set forth in this Section 2.

(i) NSR Haulage Cars shall at all times remain in the revenue waybill and car hire accounts of NSR while moving over the Subject Trackage via the NSR Haulage Rights. MSLLC shall not be entitled to any line haul revenue for the handling of NSR Haulage Cars, nor shall MSLLC participate in the routing of, nor appear in tariffs, waybills or other shipping documents as a participating carrier in connection with, the movement of NSR Haulage Cars.

(ii) MSLLC's obligation to provide NSR Haulage Rights hereunder shall permanently cease in the event that NSR initiates its NSR Trackage Rights operations pursuant to Section 2(d)(vi) of this Agreement.

(iii) The Parties will execute an agreement (the "NSR Master Locomotive Run Through Agreement") consistent with, and with terms materially identical to, the Supplemental Agreement dated May 11, 2000, to the Master Locomotive Run Through Agreement of November 29, 1994, provided, however, that MSLLC shall not be responsible for providing any equipment (locomotives, cars, end of train units ("EOTs"), etc.), or fuel for the trains providing the NSR Haulage Rights. Locomotives on trains providing the NSR Haulage Rights shall be governed by the NSR Master Locomotive Run Through Agreement.

(c) Use Of The Subject Trackage.

(i) NSR's use of Subject Trackage pursuant to Section 2(a) or Section 2(b) shall be in common with MSLLC and KCSR, and other than as explicitly set forth herein, MSLLC's and KCSR's right to use the Subject Trackage shall not be diminished by this Agreement.

(ii) NSR may operate trains pursuant to Section 2(a) or Section 2(b) in either direction over the Subject Trackage.

(iii) Except as may be elsewhere provided for herein, NSR may use its NSR Trackage and Haulage Rights for NS Traffic to interchange with UP at Shreveport, LA, and with KCSR at Shreveport, LA, for (i) hauling traffic for NSR under the Western Haulage Agreement; (ii) connectivity with a possible BNSF Shreveport Agreement, as defined in the Western Haulage Agreement; or (iii) moving Dallas Intermodal Terminal Traffic provided the Dallas Option, as each term is defined in the Dallas Terminal Marketing Agreement, is exercised.

(d) Restrictions on Use.

(i) NSR may use its NSR Trackage and Haulage Rights solely for the purposes of the movement of: (A) NS Traffic; and (B) moving Dallas Intermodal Terminal Traffic provided the Dallas Option, as each term is defined in the Dallas Terminal Marketing Agreement, is exercised.

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(ii) The NSR Trackage and Haulage Rights shall be for the purpose of NSR using the Subject Trackage to operate its trains in overhead movements only and shall not include the right of ingress and egress to any tracks, switches, turnouts, or other track classifications that connect to any point along the Subject Trackage except the End Points.

(iii) Except as otherwise permitted in this Agreement, NSR's Trackage and Haulage Rights shall not include the right to enter or exit the Subject Trackage other than at the End Points, or at either end of the Jackson Trackage Rights Section.

(iv) Except as may otherwise be permitted by this Agreement, NSR shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing cars or Equipment, or the making or breaking up of trains, except as necessary for the handling of locomotives or cars bad ordered en route; provided, that NSR shall use such auxiliary Subject Trackage as may be designated by the Designated Operator for such purposes.

(v) NSR may not, pursuant to this Agreement, grant haulage rights, trackage rights, or other operating rights of any nature on or over the Subject Trackage to any other party.

SECTION 3. INTERCHANGE

From time to time MSLLC and NSR shall consult as to the various interchange locations for the delivery and receipt of traffic being physically transferred between NSR and MSLLC. Unless otherwise mutually agreed, interchange operations shall be governed as follows:

(a) Interchange For NSR Haulage Cars

(i) MSLLC shall deliver eastbound NSR Haulage Cars to NSR at Meridian, MS, on such track(s) as shall be designated from time to time by local operating personnel or other designated representative in charge of such tracks at Meridian pursuant to the Meridian Interchange Agreement.

(ii) MSLLC shall deliver westbound NSR Haulage Cars to KCSR and UP and, if KCSR enters into a BNSF Shreveport Agreement as defined in the Western Haulage Agreement, with BNSF for continued westbound movement, at or near M.P. V-169.85 in Shreveport, LA on such track(s) as shall be designated from time to time by KCSR's dispatcher or other designated representative in charge of such tracks at Shreveport pursuant to the KCSR Master Interchange Agreement.

(iii) Nothing herein shall be interpreted as prohibiting the Designated Operator from transporting NSR Haulage Cars in a continuous movement operating over both the haulage routes covered by: (i) this Agreement and (ii) the Western Haulage Agreement.

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(b) Interchange With A Foreign Railroad

Interchange operations between NSR and a Foreign Railroad shall be governed by the terms of the relevant interchange agreement between NSR and said Foreign Railroad ("Foreign Railroad Interchange Agreement"), which may not be inconsistent with this Agreement.

SECTION 4. PERMITTED SERVICE

(a) NS Traffic

NSR shall have the exclusive right to transport NS Traffic over the Subject Trackage.

(b) MSLLC's Retained Rights

(i) MSLLC may perform haulage services for, or provide trackage or operating rights to, KCSR or a Foreign Railroad provided the traffic moved for said carrier remains in that other carrier's revenue waybill account.

(ii) Notwithstanding the foregoing Section 4(b)(i), for NS Traffic only, MSLLC may not perform haulage services for any carrier other than NSR or grant trackage rights or operating rights to KCSR or any Foreign Railroad on the Subject Trackage for NS Traffic, absent the express written consent of NSR, which may be withheld in NSR's sole discretion.

(iii) MSLLC shall not permit trains moving NSR Haulage Cars to contain any traffic in the revenue waybill account of any carrier other than NSR.

(c) Rebilling.

It is the intent of the Parties that rebilling of traffic is not a permissible method of avoiding any direct traffic limitation, including those set forth in Section 4(a), or imposition of charges for services set forth herein.

SECTION 5. INFRASTRUCTURE

(a) Maintenance.

(i) MSLLC shall be solely responsible for the maintenance, repair, and renewal of the Subject Trackage. MSLLC shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but MSLLC does not guarantee the condition of the Subject Trackage or that operations thereover will not be interrupted. MSLLC shall take reasonable steps to ensure that any interruptions will be kept to a minimum and shall use commercially reasonable efforts to avoid such interruptions.

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(ii) Existing connections or facilities 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 applicable agreements.

(iii) Notwithstanding anything to the contrary herein, MSLLC shall maintain the main line of the Subject Trackage to a minimum of FRA Class 3 standards, capable of handling cars of 286,000 lbs.

SECTION 6. MANAGEMENT AND OPERATIONS

(a) Dispatching

(i) The Designated Operator shall have exclusive control over the management and dispatching of the Subject Trackage. Dispatching of the Subject Trackage shall be conducted in a manner as to afford each of the Parties, and any other present or future user of the Subject Trackage (or any portion thereof) the most economical and efficient movement of its traffic over the Subject Trackage consistent with the demands and needs of other authorized users.

(ii) Although the Designated Operator will be the dispatcher, the Joint Operating Committee ("JOC"), subject to the direction of the Management Committee, will develop and implement appropriate dispatching protocols and adjust those protocols from time to time as necessary to carry out this Agreement. In dispatching the Subject Trackage, the Designated Operator shall follow any protocols developed by the JOC, provided, that in the event of a conflict between the dispatching protocols and the need to economically and efficiently move the traffic over the Subject Trackage, the dispatcher shall be empowered to employ best practices to efficiently move all trains consistent with the principles of this Agreement.

(iii) NSR shall have the right to station an NSR employee or agent in the dispatch center operated by MSLLC or its Designated Operator in the event that it initiates its trackage rights pursuant to Section 2(a)(ii) herein. Said person shall be present solely as an observer, and shall have no authority to control the movement of trains or otherwise interfere with or adjust the operation of trains, Cars or Equipment operating on the Subject Trackage.

(iv) MSLLC shall cause its Designated Operator to provide NSR with read-only access to the Designated Operator's central traffic control ("CTC") screens for the Subject Trackage in the offices of NSR designated by NSR. As KCSR is MSLLC's Designated Operator, KCSR shall be responsible for the cost of modifying its system to the extent necessary to provide NSR access to its CTC screens, and NSR shall be responsible for the cost of the communications link with NSR and the costs to use such link incurred in NSR's offices.

(v) Notwithstanding anything in this Agreement to the contrary, all overhead trains of both KCSR and NSR will have dispatching priority over local trains.

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(b) Capacity Rights

Notwithstanding any other provisions of this Agreement, the Parties acknowledge that there may be capacity constraints from time to time for traffic covered under this Agreement. Whenever capacity of the Subject Trackage is insufficient to handle the total traffic demands of KCSR and NSR, the following capacity allocation rules shall apply:

- (i) Prior to the start of the calendar year following the earlier of (a) completion of the spending of the Capital Proceeds as defined in the Transaction Agreement; or (b) the fourth anniversary of the Closing as defined in the Transaction Agreement, KCSR and NSR will each have a minimum of five (5) daily overhead train starts over the Subject Trackage. For purposes of determining capacity rights, NSR's daily overhead train starts will include NS Traffic and Dallas Intermodal Terminal Traffic.
- (ii) As incremental overhead train starts become available, NSR shall receive the first of every three (3) new daily overhead train starts, and NSR acknowledges that KCSR shall be allocated the second and third of every three (3) new daily overhead train starts. Following the start of the calendar year following the earlier of (a) completion of the spending of the Capital Proceeds as defined in the Transaction Agreement; or (b) the fourth anniversary of the Closing as defined in the Transaction Agreement, NSR will have a minimum of thirteen (13) daily overhead train starts. If through this allocation process NSR does not have at least thirteen (13) daily overhead train starts, then KCSR agrees to relinquish such daily overhead train starts as needed to provide NSR with thirteen (13) daily overhead train starts. Of the thirteen (13) total daily overhead train starts, a minimum of eight (8) may be utilized for traffic interchanged with parties other than the Union Pacific Railroad Company in Shreveport.
- (iii) NSR acknowledges that, after providing for NSR's minimum guarantee of thirteen (13) daily overhead train starts, KCSR shall receive all additional incremental daily overhead train starts until KCSR has a total of twenty-one (21) daily overhead train starts. Thereafter, NSR shall be allocated the first of every three (3) additional new incremental daily overhead train starts, and NSR acknowledges that the second and third of every three (3) new daily overhead train starts shall be allocated to KCSR.
- (iv) If the Foreign Railroad fails to supply all necessary capital required to accommodate its new train start, the first new daily overhead train start of any Foreign Railroad admitted to the Subject Trackage by MSLLC shall be considered to be a KCSR train start for the purpose of the allocation of daily overhead trains starts of under these capacity allocation provisions. If the Foreign Railroad supplies all necessary capital required to accommodate its new train start, the Foreign Railroad's train start shall count against neither KCSR's nor NSR's train start allocation.
- (v) The maximum length of NSR trains (including locomotives and other motive power units) operating pursuant to this Agreement, whether pursuant to Section

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2(a) or Section 2(b), shall be the greater of: (a) 7,500 feet or (b) the maximum train length as may be permitted from time to time for any other train regularly operated over the Subject Trackage. Upon substantial completion of the capital projects list found in Appendix C - Capital Improvement Projects to the KCSR-MSLLC Operating Agreement, the maximum length shall be increased to no less than 8,500 feet.

(c) Volume And Service Guarantees

(i) NSR commits to the Volume Guarantees set forth in Appendix B – Commercial Appendix, Section 5.

(ii) MSLLC commits to the Service Standards set forth in Appendix B – Commercial Appendix, Section 2.

(d) Defective Or Overloaded Cars

MSLLC may arrange for repairs to and adjustments to, or transfers of lading from bad ordered, defective or overloaded NSR Haulage Cars, as in MSLLC's judgment may be necessary to move such cars safely. NSR shall reimburse MSLLC for the cost of such work at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the Association of American Railroads ("AAR").

(e) Use Of A Clearance File

NSR shall have the right to operate all dimensional loads and excess clearance railcars for handling over the Subject Trackage, subject to a clearance file (the "Clearance File") applicable to traffic of NSR, KCSR, and MSLLC maintained by MSLLC. MSLLC shall promptly inform NSR of any changes made to the Clearance File.

(f) Modification of NSR Train Schedules.

NSR shall provide the Designated Operator reasonable notice of the schedules for regularly scheduled NSR trains operating over the Subject Trackage, as well as any proposed modifications, and shall coordinate train operations with the Designated Operator and its dispatcher.

(g) Compensation.

NSR shall compensate MSLLC for the use of the Subject Trackage in accordance with Appendix B – Compensation for NS Traffic.

(h) Mileage and Car Hire.

All mileage and car hire charges accruing on NSR Cars on the Subject Trackage shall be assumed by NSR and reported and paid by it directly.

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SECTION 7. GENERALLY APPLICABLE PROVISIONS

(a) Compliance with Applicable Law and Rules.

(i) Each Party hereto shall comply with all applicable and lawful federal, state and local laws, rules, regulations and orders promulgated by any government or governmental agency that relate to the operations contemplated hereunder. If any fine, penalty, cost, or charge is imposed or assessed on or against either Party hereto by reason of the other Party's non-compliance with any such laws, rules, regulations or orders, liability will be allocated in accordance with the Unified Liability Agreement.

(ii) Without affecting the generality of the foregoing Section 7(a)(i), the Parties shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other lawful federal and state and local 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. Liability for a violation of this section shall be determined in accordance with Unified Liability Agreement.

(iii) NSR'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 contained in the Clearance File maintained by MSLLC, and no train shall contain locomotives, cars or Equipment which require speed restrictions or other movement restrictions below the maximum authorized freight speeds as provided by the Designated Operator's operating rules and regulations, without the prior consent of MSLLC. The JOC shall make proper accommodation for exceptions, should that be reasonable, necessary, and practicable. All NSR trains shall be operated by locomotives with horsepower sufficient to permit operation at posted speeds.

(iv) If any employee of NSR shall neglect, refuse, or fail to abide by MSLLC's rules, instructions and restrictions governing the operation on or along MSLLC's property, such employee shall, upon written request of MSLLC, be prohibited by NSR from working on MSLLC's property. If any party shall deem it necessary to hold a formal investigation to establish such neglect, refusal, or failure on the part of any employee of NSR, then upon such notice presented in writing, NSR shall promptly hold an investigation in which all parties concerned shall participate, with each party bearing the expense for its officers', counsel's, witnesses' and employees' participation. Notice of such investigations to NSR's employees shall be given by NSR's officers, and such investigation shall be conducted in accordance with the terms and conditions of schedule agreements between NSR and its employees. If the result of such investigation warrants, such employee shall, upon written request by MSLLC, be withdrawn by NSR from service on MSLLC's property and NSR shall release and indemnify MSLLC from and against any and all claims and expenses because of such withdrawal.

(b) Invoices and Payment of Bills.

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(i) On or before the 15th day of each calendar month during the term of this Agreement, KCSR shall prepare on behalf of MSLLC a monthly statement setting forth the number of NSR Cars operated over the Subject Trackage during the month (the "Monthly Statement") and an invoice (the "Use Invoice"). The Monthly Statement shall be in electronic format, and shall contain a detailed list of the NSR Cars that moved during the subject month, which list shall include, for each Car, information relating to such cars that MSLLC may reasonably request in connection with accounting for the use of the services and rights provided hereunder. The Monthly Statement and the Use Invoice shall be delivered to NSR and NSR shall make payment to MSLLC within thirty (30) days after the date of receipt of such Use Invoice.

(ii) Any dispute regarding the amount of a Monthly Statement or Use Invoice shall be reconciled between the Parties pursuant to Section 7(i), and any adjustment resulting from such reconciliation shall be reflected in a subsequent Use Invoice. If NSR disputes any portion of a Use Invoice, it shall nevertheless pay such Use Invoice in full subject to adjustment upon resolution of the dispute; provided, however, that (i) no exception to any charge in a Use Invoice shall be honored, recognized or considered if filed after the expiration of three (3) years from the date of the Use Invoice, and (ii) no invoice shall be rendered more than three (3) years (a) after the last day of the calendar month in which the expense covered thereby is incurred, or (b) in the case of charges disputed as to amount or liability, after the amount owed or liability therefor is established. Any claim for the adjustment of a Monthly Statement or Use Invoice shall be deemed to be waived if not made in writing within three (3) years after the date of the relevant Monthly Statement for statement adjustments and the date of the relevant Use Invoice for invoice adjustments.

(iii) MSLLC and NSR shall each have the right, at its own expense, to audit the records of any other Party pertaining to the use of the Subject Trackage under this Agreement, and any Monthly Statement, Use Invoice or other invoice issued by MSLLC or KCSR, respectively, pursuant to this Agreement, provided such audit is initiated at any time within three (3) years of the date of the relevant Use Invoice or other invoice (as applicable) relating to this Agreement. All such audits shall be conducted at reasonable intervals, locations, and times. All such audits shall be prosecuted with reasonable due diligence. Each Party agrees that all information disclosed to it or its representatives in connection with such an audit will be held in strictest confidence and will not be disclosed to any third party (other than to an arbitrator in connection with an arbitration conducted pursuant this Agreement or as required by applicable law). Any adjustment resulting from an audit conducted pursuant to this Section 7(b)(iii) with respect to which the Parties are in concurrence shall be reflected in a subsequent Use Invoice.

(iv) Invoices rendered pursuant to the provisions of this Agreement, other than Use Invoices, shall include direct labor and material costs, together with the surcharges, overhead percentages, and Equipment rentals as specified by MSLLC at the time any work is performed by MSLLC for NSR, or shall include actual costs and expenses, upon mutual agreement of the Parties.

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(c) Liability.

As between the Parties hereto, responsibility for any loss or destruction of, or damage to, any property whatsoever, and any injury to or death of any person or persons whomever (including employees of NSR or MSLLC) or other matters covered by the Uniform Liability Agreement, resulting from, arising out of, incidental to or occurring in connection with this Agreement shall be allocated as is set forth in the Unified Liability Agreement.

(d) Rerailing, Wrecking, Bad Orders and Repairs.

(i) Whenever one or more cars and/or locomotives in the account of NSR requires rerailing, wrecking service or wrecking train service, MSLLC shall arrange for the provision of such service, including the repair and restoration of roadbed, the Subject Trackage and structures. MSLLC shall promptly inform NSR of its intent to proceed with wrecking service or wrecking train service, and shall permit a NSR representative to be present on the scene, to work in concert with the employees of its Designated Operator to manage such wrecking service or wrecking train service. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and 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 7(c) hereof. All locomotives, cars, Equipment and salvage from the same so picked up and removed which is owned by or under the management and control of or used by NSR at the time of such wreck, shall be promptly delivered to it.

(ii) If any cars or locomotives of NSR are bad ordered en route on the Subject Trackage and it is necessary that they be set out, those cars or locomotives shall, after being repaired, be picked up by MSLLC, or if agreed upon by the parties, MSLLC will transport them to a mutually acceptable location to be picked up by NSR. MSLLC may, upon request of NSR and at the expense of NSR, unless otherwise provided for in the Field and Office Manuals of the Interchange Rules of the AAR, furnish required labor and material to perform light repairs required to make such bad ordered Cars or locomotives safe and lawful for movement, and billing for this work shall be at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the AAR.

(e) Force Majeure.

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including flood, earthquake, hurricane, tornado, or other such severe weather or climatic condition, riot, accident, wreck, derailment, washout, explosion, Acts of God, act of terrorism and public enemy, war, blockage, insurrection, vandalism or sabotage, fire, strike, lockout or labor dispute, embargoes or AAR service orders, or governmental laws, orders or regulations, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse

for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

(f) Term and Termination.

(i) This Agreement shall become effective following the latest date of: (a) the date first written above; (b) receipt of any required regulatory approvals or exemptions; and (c) the expiration of any time periods required by the issuance of labor notices by NSR and/or MSLLC, should such labor notices be required ("Effective Date"). The Parties shall determine the Effective Date through an exchange of written correspondence.

(ii) This Agreement shall commence on the Effective Date and shall continue until terminated by mutual agreement.

(iii) Termination of this Agreement shall not relieve or release any Party hereto from any obligations assumed or from any liability which may have arisen or been incurred by such Party under the terms of this Agreement prior to termination hereof, nor shall it terminate any underlying right, or contingent right, of movement pursuant to the trackage rights grant.

(g) Successors and Assigns.

(i) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns. Third party beneficiary status shall inure to the benefit of KCSR and each of its successors and permitted assigns.

(ii) Except as otherwise specifically provided hereinafter, neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party.

(iii) In the event of a sale of substantially all of the assets or business of NSR, or the merger or consolidation of NSR into or with a firm or corporation not controlled by NSC, NSR may, without the prior consent of MSLLC, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of NSR, or merging or consolidating with NSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of NSR under this Agreement that existed prior to such assignment.

(iv) In the event of a sale of substantially all of the assets or business of MSLLC, or the merger or consolidation of MSLLC, MSLLC may, without the prior consent of NSR, assign this Agreement to such firm or corporation acquiring

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substantially all of the assets or business of MSLLC, or merging or consolidating with MSLLC; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of MSLLC under this Agreement that existed prior to such assignment.

(h) Notice.

Any notice required or permitted to be given by one Party to the other Party 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:

(i) If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

(ii) If to MSLLC:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

Senior Director – Joint Facilities
Norfolk Southern Corporation

REDACTED

1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

If to NSR:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

Either Party may provide notice of changes in the above addressees to the other Party by personal service or certified mail.

(i) Arbitration.

(i) Any dispute arising between the Parties with respect to an alleged breach of this Agreement shall be referred to the JOC for resolution and if the JOC is unable to resolve the dispute, it will be referred to the Management Committee, provided however, that any Member (as defined in the LLC Agreement) may submit the dispute for binding arbitration by a panel of three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall render a written decision on the controversy. The written decision of the arbitrators, reached upon a majority vote, shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, experts, and counsel. The compensation, costs, and expenses of the three arbitrators, if any, shall be borne by NSR and MSLLC, with each paying 50 percent of such compensation, costs, and expenses. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. Pending the written decision of the arbitrators, there shall be no interruption in the transaction of business under this Agreement, and all payments in respect thereto shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been fully determined by arbitration, and thereupon such payment or restitution shall be made as required by the written decision of the arbitrators.

(ii) As a third party beneficiary, KCSR may initiate and prosecute arbitration pursuant to Section 7(i)(i) on behalf of MSLLC. MSLLC shall cooperate with KCSR in the preparation for, and the initiation and prosecution of, such arbitration, at KCSR's expense.

(j) Confidentiality.

(i) 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 in connection with an audit by the Internal Revenue Service or other tax authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Agreement, during the term of this Agreement (including any extensions thereof), and for a period of three (3) years after termination or expiration of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by either Party to any person other than members, officers, employees, independent auditors, and attorneys, without the prior written approval of the other Party.

(ii) Notwithstanding the foregoing Section 7(j)(i), the Parties acknowledge and agree that in any STB proceeding, the Parties may be required to submit this Agreement into the record. The Parties will seek a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with certain confidential provisions redacted) may be entered into the public STB record and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

(k) Claims.

The Parties shall agree between themselves on the fairest, practical, and efficient arrangements for handling and administering freight loss and damage Claims. Such arrangements, and the allocation of responsibility for such Claims, shall be subject to the provisions of the Unified Liability Agreement.

(l) Abandonment.

(i) MSLLC shall have the right, subject to securing any necessary regulatory approval or exemption, to abandon or discontinue service on the Subject Trackage or any portion thereof (the "Abandonment Segment") during the term of this Agreement. MSLLC shall provide NSR no less than ninety (90) days prior notice of its intention to seek to abandon or discontinue service over any Abandonment Segment.

(ii) If MSLLC elects to abandon or discontinue service over the Subject Trackage (or any portion thereof) pursuant to Section 7(l)(i), this Agreement shall continue to apply in all respects to any remaining portion of the Subject Trackage not abandoned or subject to discontinuance by MSLLC.

(iii) MSLLC shall, not less than 60 days prior to any submission to the Surface Transportation Board (or successor agency having jurisdiction over said abandonment or discontinuance) of an application or exemption for authority to abandon or discontinue service over an Abandonment Segment(s), first offer NSR the first right to purchase such Abandonment Segment(s) for fair market value ("FMV") of such Abandonment

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Segment(s), and on such other terms and conditions as are customary with respect to line sales, which such notice shall specifically identify this Section 7(l) and the time periods for action hereunder. NSR shall have forty-five (45) days ("Abandonment Notice Period") within which to advise MSLLC that it will exercise its right to purchase ("Exercise Notice"). If the Parties are unable to agree upon the FMV of the Abandonment Segment(s) that NSR wishes to purchase, either Party may refer the issue to arbitration pursuant to Section 7(i), which arbitration shall determine all other issues relating to terms and conditions for the sale not then (at the time of the initiation of the arbitration) agreed to by the Parties. Such arbitration shall be conducted on an expedited basis, with selection of the arbitrators within thirty (30) days of the initiation of arbitration, all submissions to be made by the Parties within ninety (60) days of the initiation of arbitration, and a written decision to be rendered within thirty (30) days following the final submissions of the Parties.

(iv) The Parties shall consummate the sale contemplated by this Section 7(l) within forty-five (45) days of the latest of: (a) the rendering of a written arbitration decision, should issues related to the sale proceed to arbitration; (b) the execution of a purchase and sale agreement, should the Parties execute the same; and (c) the grant of authority, or exemption from the need to obtain a grant of authority, from any regulatory body having jurisdiction over the same.

(v) If NSR elects not to purchase the Abandonment Segment, it shall so advise MSLLC within the same forty-five (45) day Abandonment Notice Period by delivering to MSLLC a notice of waiver of right to purchase said segment ("Waiver Notice"). Failure of NSR to provide MSLLC with either an Exercise Notice or a Waiver Notice within the aforesaid forty-five (45) day period shall constitute a Waiver Notice.

(vi) In the event of a Waiver Notice and KCSR does not purchase the Abandonment Segment pursuant to its rights in the KCSR Joint Use Agreement, MSLLC shall promptly file such application, petition or exemption notice as may then be required to obtain regulatory authority or exemption for the Abandonment Segment and for the discontinuance of KCSR's and NSR's (if any) trackage rights over the Abandonment Segment.

(m) MSLLC Liability.

For the purposes of this Agreement, MSLLC shall be liable for the actions and omissions of its Designated Operator for the performance of its duties as such as if such actions or omissions were those of MSLLC.

(n) Miscellaneous Provisions.

(i) This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto. Nothing herein contained shall be taken as creating or increasing any right of any third party to recover by way of damages or otherwise against any of the Parties hereto.

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(ii) This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(iii) No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing and signed by all Parties.

(iv) The division of this Agreement into articles, sections, and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to articles, sections or subsections are to articles, sections or subsections of this Agreement.

(v) This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

(vi) No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(vii) If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

(viii) Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking between MSLLC and NSR.

(ix) This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

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(x) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

MERIDIAN SPEEDWAY LLC

As to MSLLC

By: _____

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

As to NSR

By: _____

WITNESS:

KANSAS CITY SOUTHERN

As to KCS

By: _____

WITNESS:

THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

As to KCSR

By: _____

REDACTED

INDEX TO APPENDICES

APPENDIX B. COMMERCIAL APPENDIX FOR NS TRAFFIC

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APPENDIX B – COMMERCIAL APPENDIX

Section 1. Section 1. Pricing

A. NS Traffic – Initial Pricing:

(1) Interchange With KCSR

NSR shall pay to MSLLC the following as compensation for providing NSR with NSR Haulage Rights over the Subject Trackage to an interchange with KCSR at M.P. V-169.85 for subsequent interchange to/from BNSF.

[]	[]
[]	[]
[]	[]
[]	[]

(2) Other Interchange Compensation

(a) NSR shall pay to MSLLC the following as compensation for providing NSR with NSR Haulage Rights over the Subject Trackage to an interchange with UP at M.P. V-169.85:

[]	[]
[]	[]
[]	[]
[]	[]

(b) NSR shall also pay to MSLLC [] as “Additional Compensation”.

B. Empties – Initial Pricing:

(1) NSR shall pay to MSLLC [] on an empty railcar moving in NSR Haulage Service between Meridian (M.P. 0.0) and Shreveport (M.P. V- 169.85) upon the following conditions:

(a) Empty cars ride on a haulage train consisting of []
[]. Empty cars will not be limited in number as long as the maximum train length allowable at that time is not exceeded. All empty cars will ride as one block at the end of the haulage train.

(b) The loaded cars meet or exceed []. In the event NSR fails to maintain [], then the Parties agree

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to meet at MSLLC's request to establish rates to compensate MSLLC adequately for the excess empty wells and platforms.

(c) A "slot" is defined as any available rail car space that can minimally hold a 40' TOFC/COFC unit. There are (i) two slots per well of a single or multi-well stack car; or (ii) one slot per hitch on a single flat car or multi-platform conventional spine car. The following table serves as an example of pricing scenarios for empty rail car moves. There may be other pricing scenarios.

Empty Car Description	Number of Slots	Price per Car
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

C. Adjustments to Pricing:

[

]

(1) [

];

[

]

[

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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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Section 2. Service Standards.

- A. The Service Standards contained in this Section 2 shall become effective beginning with the start of the calendar year following the earlier of (i)

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completion of the spending of the Capital Proceeds as defined in the Transaction Agreement; or (ii) the fourth anniversary of the Closing of the Transaction.

- B. For the purpose of this Section, Qualifying Trains are defined as: (i) trains carrying NSR Cars moving across the Subject Trackage between Meridian (MP 0.0) and Shreveport (MP V- 169.85), and Meridian (MP 0.0) and Metro Junction (MP D – 110.2) or other mutually-designated interchange locations in the Dallas, TX area; or (ii) KCSR trains moving traffic subject to the Dallas Terminal Marketing Agreement. In addition, Qualifying Trains must meet the following criteria to be included in the computation for Service Standards:

(1) The train must not have been delayed en route between the End Points directly as a result of:

- (a) a crossing accident;
- (b) the failure of locomotives in NSR's account on the train, unless said failure is intentionally caused by the acts of the crews, in the case of trains moving NSR Cars,
- (c) trains carrying NSR Cars that undergo a 1,000 mile inspection between the End Points;
- (d) concentrated FRA audits;
- (e) a scheduled maintenance of way window where MSLLC or KCSR have given NSR at least [] advance notice, and, despite the good faith efforts of the Designated Operator, NSR and KCSR under the direction of the JOC to resolve potential conflicts in scheduling, said train delays could not be avoided;
- (f) the failure of NSR to provide locomotive consists that meet the HPT requirements set forth from time to time by the JOC that apply equally to all carriers operating similar traffic on the Subject Trackage;
- (g) or Force Majeure; or

(2) The train must not have begun its transit over the Subject Trackage on any of the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

- C. At the time Service Standards become effective, the following transit times for Qualifying Trains will apply:

(1) The transit time for a Qualifying Train moving NSR Cars between the End Points will be [] from the time the train is actually available to

REDACTED

MSLLC, provided that the actual availability of such train is within [] on either side of its scheduled arrival time, and further provided that if said Qualifying Train is actually available to MSLLC more than [] before the scheduled arrival time, the transit time will be [] from the starting edge of the window (two hours before the scheduled arrival time), and provided further that if said Qualifying Train is not actually available to MSLLC until more than [] after the scheduled arrival time, then the transit time will be [].

(2) The transit time for a Qualifying Train moving traffic subject to the Dallas Terminal Marketing Agreement between the End Points will be [] from the time the train reaches the first End Point.

(3) The transit time for a Qualifying Train moving between Metro Junction (MP D – 110.2), or other mutually-designated interchange location in the Dallas, TX area, and Meridian (MP 0.0) that is actually available within [] on either side of its scheduled arrival time will be [] from the time actually available to MSLLC, KCSR or BNSF, as the case may be, provided however, if said Qualifying Train is actually available to MSLLC, KCSR or BNSF, as the case may be, more than [] before the scheduled arrival time, the transit time will be [] from the starting edge of the window (two hours before the scheduled arrival time), and provided further that if said Qualifying Train is not actually available to MSLLC until more than [] after the scheduled arrival time, then the transit time will be [].

(4) In the event that a train requires fueling en route over MSLLC, then a [] allowance shall be added to the relevant service standard.

(5) For the purpose of computing the Service Standard transit times, the origin time shall be the time that the Qualifying Train is actually available to the receiving carrier at the origin End Point (or, in the case of a run through train, when the train moves over the origin End Point) and the destination time shall be the time that the Qualifying Train is actually available to the receiving carrier at the destination End Point (or, in the case of a run through train, when the train moves over the destination End Point), unless the train is refused in interchange by the receiving carrier (other than KCSR), in which case the destination time will be the arrival time at the location on the delivering carrier where the train will be held awaiting acceptance for the interchange from the receiving carrier.

D. The Service Standard Transit Times provided for herein will not be amended or modified as a result of a change in control of KCSR.

Section 3. Liquidated Damages

A. Payment of liquidated damage by MSLLC to NSR will be triggered by the following conditions:

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(1) [].

[]:

[

[

].

[

].

B. The dollar amounts set forth in Section 3.A shall remain constant until the calendar year following the initiation of service standards as provided in Section 2.A above. In each subsequent calendar year, the dollar amounts set forth in Section 3.A shall be subject to escalation by the Weighted Adjustment Factor.

Section 4. Major Service Standard Failure

A. A Major Service Standard Failure occurs when [

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[

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[

]

[

REDACTED

]

Section 5. Volume Guarantees.

The Volume Guarantees described in this section shall not apply until the first full calendar year following the year in which the service standards described in Section 2 are in effect. If NSR receives[] train starts by the third anniversary of the Closing (as defined in the Transaction Agreement), and []trains starts by the fourth anniversary of the Closing (as defined in the Transaction Agreement), an additional year will be added to the contemplated initiation of the Volume Guarantees.

(1) NSR commits that [

].

(2) The Volume Guarantee shall be reduced if [

]. The percentage of such a decline will result in an equivalent percentage reduction to the Volume Guarantee for that calendar year.

(3) The Volume Guarantee shall be reduced by []for any calendar year in which [

], and reduced by []as well [].

(4) The Volume Guarantee shall cease to be in effect [] and shall not become effective again until[

].

(5) The Volume Guarantee shall cease to be in effect [].

(6) The Volume Guarantee for any particular calendar year shall be reduced by [

].

REDACTED

(7) In the event NSR fails to meet the Volume Guarantee in any calendar year,
[]:

(a) [

]

[

].

Section 6. Imbalance Fees.

A. Imbalance Threshold

NSR will pay MSLLC[

]:

[

].

[

].

[

].

[

].

B. Shortfall

For each train below the Imbalance Threshold, [

].

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Section 7. Miscellaneous Provisions.

A. Either Party shall have the right to conduct an audit, by a third party acceptable to the other Party, with respect to any of the provisions of this Agreement, provided that the third party's report to the Party requesting the audit shall be limited to whether or not the Agreement has been complied with, and the extent of the inaccuracy, if any. However, the Party whose records are being audited shall receive a full report from the auditor concerning the findings from such audit.

B. Payments of any Shortfall Damage or the Imbalance Fee pursuant to this Agreement shall be made no later than[
].

D

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY – MERIDIAN SPEEDWAY
LLC -- JOINT USE AGREEMENT**

THIS AGREEMENT (the “KCSR Joint Use Agreement” or “Agreement”) is entered into as of this ____ day of _____, 200__, by and between KANSAS CITY SOUTHERN (“KCS”) AND THE KANSAS CITY SOUTHERN RAILWAY COMPANY, (“KCSR”), MERIDIAN SPEEDWAY LLC, a Delaware limited liability company (“MSLLC”), and NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation (“NSR”). NSR, MSLLC, and KCSR are referred to individually herein as a “Party” and collectively as the “Parties”.

RECITALS:

WHEREAS, on December 1, 2005, KCS, KCSR, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation (“NSC”) entered into a transaction agreement (the “Transaction Agreement”) that, among other things, provided for the creation of MSLLC, the transfer from KCSR to MSLLC of the Subject Trackage as defined herein, the construction, at MSLLC’s cost, of certain infrastructure improvement projects, and the grant by MSLLC to Norfolk Southern Railway Company and KCSR of certain rights over the entirety of the Subject Trackage; and

WHEREAS, pursuant to the Transaction Agreement, MSLLC has agreed to grant NSR certain trackage and haulage rights for NSR to transport NS Traffic over the Subject Trackage; and

WHEREAS, pursuant to the Transaction Agreement, MSLLC has agreed to grant KCSR local and overhead trackage rights as necessary for KCSR to continue to conduct railroad operations over the Subject Trackage and to fulfill its common carrier obligations with respect to all traffic except for the right to transport NS Traffic and Third Party Traffic over the Subject Trackage (“KCS Trackage Rights”); and

WHEREAS, the Transaction Agreement anticipates that, pursuant to an Operating Agreement, MSLLC will hire KCSR to perform as the designated operator (“Designated Operator”) for all railroad operations on behalf of MSLLC, including MSLLC railway operations required pursuant to the KCSR Joint Use Agreement and the NSR Joint Use Agreement, and

WHEREAS, the route traversed by traffic moving pursuant to this Joint Use Agreement includes approximately four-tenths of a mile section of track in Jackson, Mississippi that is controlled by Canadian National (as successor to Illinois Central Gulf Railroad Company) (the “Jackson Trackage Rights Section”) pursuant to that certain trackage rights agreement (the “MSR Trackage Rights Agreement”), as supplemented and amended from time to time, dated March 26, 1986, between Midsouth Rail Corporation and Illinois Central Gulf Railroad Company; and

WHEREAS, pursuant to the Transaction Agreement, KCSR shall provide haulage (“KCSR Haulage”) for NSR over the Jackson Trackage Rights Section until either the MSR Trackage Rights Agreement is assigned to MSLLC or MSLLC constructs a “flyover” bridge to

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carry MSLLC tracks over the tracks and real property of Canadian National Railway Company at Jackson, MS which establishes a continuous line of rail between Shreveport and Meridian (the "Jackson Flyover"); and

WHEREAS, the Parties intend that the MSR Trackage Rights Agreement will be assigned to MSLLC and the Parties desire to set forth the terms and conditions upon which MSLLC shall provide haulage services to KCSR and NSR over the Jackson Trackage Rights Section in the event of such assignment; and

WHEREAS, pursuant to an agreement of even date herewith between KCSR and MSLLC (the "Master KCSR-MSLLC Interchange Agreement"), MSLLC and KCSR have documented, among other things, the method for the physical interchange of traffic between KCSR and MSLLC at points on the Subject Trackage; and

WHEREAS, pursuant to the Transaction Agreement, that certain Interchange Agreement between KCSR and NSR dated as of June 4, 1986, as supplemented as of January 24, 2003, (the "Meridian Interchange Agreement") has been assigned to MSLLC; and

WHEREAS, the Parties desire to set forth the terms and conditions upon which MSLLC has agreed to grant KCSR its KCSR Trackage Rights;

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

(a) Interpretation Generally.

(i) Unless otherwise defined herein, 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.

(ii) Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. As used in this Agreement, the word "including" means "without limitation", and the words "herein", "hereof" and "hereunder" refer to this Agreement as a whole. All dollar amounts stated herein are in United States currency.

(b) Capitalized Terms.

All capitalized terms shall have the defined meaning set forth below:

"Abandonment Notice Period" shall have the meaning given to that term in Section 7(l)(iii).

"Abandonment Segment" shall have the meaning given to that term in Section 7(l)(i).

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“Agreement” shall have the meaning given to that term in the introductory paragraph.

“AAR” shall have the meaning given to that term in Section 6(c).

“Cars” means each loaded or empty railroad freight car (including platform and well rail cars) or similar equipment.

“Clearance File” shall have the meaning given to that term in Section 6(d).

“Dallas Intermodal Terminal Traffic” means all domestic intermodal containers or trailers with an origin and destination in the United States, with a lift or drop at the Terminal, that moves over the Subject Trackage and over KCSR’s tracks between Shreveport and the Terminal, and that originates or terminates at or east of Meridian, and that originates or terminates at or west of the Dallas / Ft. Worth, TX. Standard Metropolitan Statistical Area (SMSA) as published by the Office of Management and Budget (OMB).

“Dallas Terminal Marketing Agreement” shall mean that certain Dallas Terminal Marketing Agreement dated the date hereof by and between NSR and KCSR.

“Designated Operator” shall have the meaning given to that term in the Recitals.

“End Points” shall mean: (1) Meridian, MS, M.P. 0.0; and (2) Shreveport, LA, M.P. V-169.85.

“Effective Date” shall have the meaning given to that term in Section 7(f)(i).

“EOTs” shall have the meaning given to that term in Section 2(b)(iii).

“Equipment” shall mean and be confined to hi-rail vehicles, track inspection equipment and other non-revenue vehicles and machinery (other than locomotives) capable of being operated on railroad tracks that, at the time of an occurrence, are (i) being operated on the trackage upon which such occurrence takes place, or (ii) are on the trackage upon which such occurrence takes place, or on the adjoining right-of-way, for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.

“Exercise Notice” shall have the meaning given to that term in Section 7(l)(iii).

“FMV” shall have the meaning given to that term in Section 7(l)(iii).

“Foreign Railroad” shall mean a railroad that is not a party to this Agreement.

“Foreign Railroad Interchange Agreement” shall have the meaning given to that term in Section 3(c).

“GTMs” shall have the meaning given to that term in Appendix B, Section 1.A.

“Jackson Trackage Rights Section” shall have the meaning given to that term in the Recitals.

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“Jackson Flyover” shall have the meaning given to that term in the Recitals.

“JOC” shall have the meaning given to that term in Section 6(a)(ii).

“KCSR Cars” shall mean Cars and Equipment in the revenue and/or car hire account of KCSR.

“KCSR Haulage Cars” shall mean KCSR Cars being transported pursuant to KCSR Haulage Rights.

“KCSR Haulage Rights” shall have the meaning given to that term in Section 2(a).

“KCSR” shall have the meaning given to that term in the introductory paragraph.

“KCSR Master Locomotive Run Through Agreement” shall have the meaning given to that term in Section 2(b)(ii).

“KCSR Permitted Traffic” shall have the meaning given to that term in Section 4(a).

“KCSR Trackage and Haulage Rights” shall mean those rights granted in Sections 2(a) and 2(b) of this Agreement.

“KCSR Trackage Rights” shall have the meaning given to that term in Section 2(a).

“KCSR Trackage Rights Cars” shall mean KCSR Cars and Equipment transported pursuant to KCSR Trackage Rights.

“Management Committee” shall mean the Management Committee of MSLLC as provided in the LLC Agreement.

“Master KCS-MSLLC Interchange Agreement” shall have the meaning given to that term in the Recitals.

“Meridian Interchange Agreement” shall have the meaning given to that term in the Recitals.

“Monthly Statement” shall have the meaning given to that term in Section 7(b)(i).

“MSR Trackage Rights Agreement” shall have the meaning given to that term in the Recitals.

“MSLLC” shall have the meaning given to that term in the introductory paragraph.

“NS Traffic” shall mean all intermodal traffic that: (i) originates or terminates in the United States west of Dallas/Ft. Worth (including intermodal traffic originating by steamship line at a port along the west coast of the United States) and enters or exits the Subject Trackage at Shreveport; and (ii) originates or terminates in the United States at or east of Meridian and enters or exits the Subject Trackage at Meridian; and (iii) does not consist of traffic originating or terminating at any station on the KCSR system which includes the Texas Mexican Railway

REDACTED

Company, (including any station where KCSR, or the Texas Mexican Railway Company have trackage rights or access via reciprocal switch), as it exists on the date of the Transaction Agreement.

“NSC” shall have the meaning given to that term in the Recitals.

“NSR” shall have the meaning given to that term in the introductory paragraph.

“NSR Cars” shall mean Cars and Equipment in the revenue and/or car hire account of NSR.

“NSR Haulage Cars” shall mean NSR Cars being transported pursuant to haulage rights granted in the NSR Joint Use Agreement.

“NSR Joint Use Agreement” shall meaning an agreement of even date herewith by which MSLLC grants NSR certain trackage and haulage rights to transport NS Traffic.

“Operating Agreement” shall have the meaning given to that term in the Recitals.

“Parties” shall have the meaning given to that term in the introductory paragraph.

“Party” shall have the meaning given to that term in the introductory paragraph.

“Permitted Transfer” shall have the meaning given to that term in the Transaction Agreement.

“Subject Trackage” shall mean the certain lines of railroad generally running between Meridian, MS and Shreveport, LA as defined in the Transaction Agreement, together with the Jackson Flyover, as hereinafter defined, when constructed, and a bridge over the Mississippi River at Vicksburg.

“Third Party Traffic” shall mean freight rail service provided for a Foreign Railroad under a haulage or trackage rights agreement between MSLLC and the Foreign Railroad.

“Transaction Agreement” shall have the meaning given to that term in the Recitals.

“UP” shall mean the Union Pacific Railroad Company or any of its subsidiaries.

“Use Invoice” shall have the meaning given to that term in Section 7(b)(i).

“Waiver Notice” shall have the meaning given to that term in Section 7(l)(v).

(c) Successor Laws.

A reference to any particular statute or regulation shall include a reference to any successor statute or regulation.

SECTION 2. OPERATING RIGHTS

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(a) Trackage Rights.

Pursuant to the Transaction Agreement and subject to the terms set forth in this Agreement, MSLLC hereby grants KCSR Trackage Rights for KCSR to transport KCSR Permitted Traffic over the Subject Trackage, excluding the Jackson Trackage Rights Section, and to fulfill its common carrier obligations with respect to KCSR Permitted Traffic (the "KCSR Trackage Rights"). These rights include, but are not limited to, the right to operate its trains, locomotives, cars, and Equipment with its own crews over the entirety of the Subject Trackage excluding the Jackson Trackage Rights Section. KCSR's use of its KCSR Trackage Rights shall be subject to the limitations and restrictions set forth in this Section 2(a), Section 2(c) and Section 2(d). KCSR Trackage Rights Cars shall at all times remain in the revenue waybill and car hire accounts of KCSR while moving over the Subject Trackage.

(b) Grant of Haulage Rights.

Pursuant to the Transaction Agreement and consistent with the terms of this Agreement, MSLLC hereby grants KCSR Haulage Rights solely for the purpose of transporting KCSR Permitted Traffic over the Jackson Trackage Rights Section, connective only with the KCSR Trackage Rights ("KCSR Haulage Rights"), should the MSR Trackage Rights Agreement be assigned to MSLLC. KCSR's use of its KCSR Haulage Rights shall be subject to the limitations and restrictions set forth in this Section 2(b), Section 2(c) and Section 2(d).

(i) KCSR Haulage Cars shall at all times remain in the revenue waybill and car hire accounts of KCSR while moving over the Jackson Trackage Rights Section via the KCSR Haulage Rights. MSLLC shall not be entitled to any line haul revenue for the handling of KCSR Haulage Cars, nor shall MSLLC participate in the routing of, nor appear in tariffs, waybills or other shipping documents as a participating carrier in connection with, the movement of KCSR Haulage Cars.

(ii) The Parties will execute an agreement (the "KCSR Master Locomotive Run Through Agreement") consistent with, and with terms materially identical to, the Supplemental Agreement dated May 11, 2000, to the Master Locomotive Run Through Agreement of November 29, 1994. The KCSR shall be responsible for providing any equipment (locomotives, cars, end of train units ("EOTs"), etc.), and fuel for the trains used in providing the KCSR Haulage Rights. Locomotives on trains providing the KCSR Haulage Rights shall be governed by the KCSR Master Locomotive Run Through Agreement.

(c) Use Of The Subject Trackage.

(i) KCSR's use of Subject Trackage shall be in common with MSLLC, and, other than as explicitly set forth herein, MSLLC's right to use the Subject Trackage shall not be diminished by this Agreement.

(ii) KCSR may operate trains in either direction over the Subject Trackage.

(iii) KCSR may use its KCSR Trackage and Haulage Rights solely for the purposes of the movement of KCSR Permitted Traffic.

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(iv) The KCSR Trackage and Haulage Rights shall be for the purpose of KCSR using the Subject Trackage to operate its trains in overhead and local movements, including, where applicable, the right of ingress and egress to any tracks, switches, turnouts, or other track classifications that connect to any point along the Subject Trackage.

(v) KCSR Trackage and Haulage Rights include the right to serve all existing or future shippers and receivers, including any transload operations, ports, industrial facilities or facilities of any type, that connect to (or are located on, at, along, or near) the Subject Trackage.

(vi) Subject to Section 3 and except as they may otherwise be restricted by the MSR Trackage Rights Agreement, KCSR may use the KCSR Trackage and Haulage Rights to interchange with any railroad at any location along the Subject Trackage, whether or not such a railroad is a private or common carrier that connects to the Subject Trackage.

(vii) KCSR shall have the right to use the Subject Trackage for the purpose of switching, storing, and servicing Cars, locomotives and Equipment, and for the making or breaking up of trains in order to conduct its railroad operations.

(viii) KCSR shall have the right to establish rates, charges, service terms, routes, and divisions, and to collect freight revenues or other transportation charges relating to KCSR Permitted Traffic transported over all or any portion of the Subject Trackage.

(d) Restrictions on Use.

(i) KCSR shall not use the KCSR Trackage and Haulage Rights for the movement of NS Traffic or Third Party Traffic, and KCSR may not move traffic over the Subject Trackage in the account of any railroad other than KCSR.

(ii) KCSR may not, pursuant to this Agreement, grant haulage rights, trackage rights, or other operating rights of any nature on or over the Subject Trackage to any other party.

SECTION 3. INTERCHANGE

From time to time MSLLC and KCSR shall consult as to the various interchange locations for the delivery and receipt of traffic, if any, being physically transferred between KCSR, MSLLC, and a Foreign Railroad. Unless otherwise mutually agreed, interchange operations shall be governed as follows:

(a) Interchange Between KCSR and MSLLC

Interchange operations between and among KCSR and MSLLC shall be governed by the terms of the Master KCS-MSLLC Interchange Agreement.

(b) Interchange Between KCSR and NSR

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Interchange operations between and among KCSR and NSR shall be governed by the terms of the Meridian Interchange Agreement.

(c) Interchange With A Foreign Railroad

Interchange operations between KCSR and a Foreign Railroad shall be governed by the terms of the relevant interchange agreement between KCSR and said Foreign Railroad ("Foreign Railroad Interchange Agreement"), which may not be inconsistent with this Agreement.

(d) Continuous Movement

Nothing herein shall be interpreted as prohibiting the Designated Operator from transporting KCSR Haulage Cars over the Jackson Trackage Rights Section in a continuous movement with KCSR operating over the Subject Trackage via the KCSR Trackage Rights.

SECTION 4. PERMITTED SERVICE

(a) KCSR Permitted Traffic.

KCSR Permitted Traffic shall consist of all commodities transported to and from all origins and destinations other than NS Traffic or Third Party Traffic, except that KCSR may not move traffic over the Subject Trackage or the Jackson Trackage Rights Section in the account of any railroad other than KCSR.

(b) Dallas Intermodal Terminal Traffic

As KCSR Permitted Traffic, KCSR shall have the exclusive right to transport Dallas Intermodal Terminal Traffic over the Subject Trackage, except as provided in, and subject to, the Dallas Terminal Marketing Agreement.

(c) MSLLC's Retained Rights

(i) MSLLC may perform haulage services for, or provide trackage rights or operating right to, NSR or a Foreign Railroad provided the traffic moved for that carrier remains in that other carrier's revenue waybill account.

(ii) Notwithstanding the foregoing Section 4(c)(i), for NS Traffic only, MSLLC may not perform haulage services for any carrier other than NSR or grant trackage rights or operating rights to KCSR or any Foreign Railroad on the Subject Trackage for NS Traffic, absent the express written consent of NSR, which may be withheld in NSR's sole discretion.

(d) Rebilling.

It is the intent of the Parties that rebilling of traffic is not a permissible method of avoiding any direct traffic limitation, including those set forth in Section 4(a), or imposition of charges for services set forth herein.

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SECTION 5. INFRASTRUCTURE

(a) Maintenance.

(i) MSLLC shall be solely responsible for the maintenance, repair, and renewal of the Subject Trackage. MSLLC shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but MSLLC does not guarantee the condition of the Subject Trackage or that operations thereover will not be interrupted. MSLLC shall take reasonable steps to ensure that any interruptions will be kept to a minimum and shall use commercially reasonable efforts to avoid such interruptions.

(ii) Existing connections or facilities 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 applicable agreements.

(iii) Notwithstanding anything to the contrary herein, MSLLC shall maintain the main line of the Subject Trackage to a minimum of FRA Class 3 standards, capable of handling cars of 286,000 lbs.

SECTION 6. MANAGEMENT AND OPERATIONS

(a) Dispatching

(i) The Designated Operator shall have exclusive control over the management and dispatching of the Subject Trackage. Dispatching of the Subject Trackage shall be conducted in a manner as to afford each of the Parties, and any other present or future user of the Subject Trackage (or any portion thereof) the most economical and efficient movement of its traffic over the Subject Trackage consistent with the demands and needs of other authorized users.

(ii) Although the Designated Operator will be the dispatcher, the Joint Operating Committee ("JOC"), subject to the direction of the Management Committee, will develop and implement appropriate dispatching protocols and adjust those protocols from time to time as necessary to carry out this Agreement. In dispatching the Subject Trackage, the Designated Operator shall follow any protocols developed by the JOC, provided, that in the event of a conflict between the dispatching protocols and the need to economically and efficiently move the traffic over the Subject Trackage, the dispatcher shall be empowered to employ best practices to efficiently move all trains consistent with the principles of this Agreement.

(b) Capacity Rights

Notwithstanding any other provisions of this Agreement, the Parties acknowledge that there may be capacity constraints from time to time for traffic covered under this Agreement. Whenever capacity of the Subject Trackage is insufficient to handle the total traffic demands of KCSR and NSR, the following capacity allocation rules shall apply:

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(i) Prior to the start of the calendar year following the earlier of (a) completion of the spending of the Capital Proceeds as defined in the Transaction Agreement; or (b) the fourth anniversary of the Closing as defined in the Transaction Agreement, KCSR and NSR will each have a minimum of five (5) daily overhead train starts over the Subject Trackage. For purposes of determining capacity rights, NSR's train starts will include NS Traffic and Dallas Intermodal Terminal Traffic.

(ii) As incremental overhead train starts become available, KCSR acknowledges that NSR shall receive the first of every three (3) new daily overhead train starts, and NSR acknowledges that KCSR shall be allocated the second and third of every three (3) new daily overhead train starts. Following the start of the calendar year following the earlier of (a) completion of the spending of the Capital Proceeds as defined in the Transaction Agreement; or (b) the fourth anniversary of the Closing as defined in the Transaction Agreement, KCSR acknowledges that NSR will have a minimum of thirteen (13) daily overhead train starts. If through this allocation process NSR does not have at least thirteen (13) daily overhead train starts, then KCSR agrees to relinquish such train starts as needed to provide NSR with thirteen (13) daily overhead train starts.

(iii) NSR acknowledges that, after providing for NSR's minimum guarantee of thirteen (13) daily overhead train starts, KCSR shall receive all additional incremental daily overhead train starts until KCSR has a total of twenty-one (21) daily overhead train starts. Thereafter, KCSR acknowledges that NSR shall be allocated the first of every three (3) additional new incremental daily overhead train starts, and NSR acknowledges that the second and third of every three (3) new daily overhead train starts shall be allocated to KCSR.

(iv) If the Foreign Railroad fails to supply all necessary capital required to accommodate its new train start, KCSR acknowledges and agrees that the first new daily train start of any Foreign Railroad admitted to the Subject Trackage by MSLLC shall be considered to be a KCSR daily overhead train start for the purpose of the allocation of daily overhead trains starts of under these capacity allocation provisions. If the Foreign Railroad supplies all necessary capital required to accommodate its new train start, the Foreign Railroad's train start shall count against neither KCSR's nor NSR's train start allocation.

(c) Defective Or Overloaded Cars

KCSR or, as to movement of KCSR Cars over the Jackson Trackage Rights Segment, MSLLC may arrange for repairs to and adjustments to, or transfers of lading from bad ordered, defective or overloaded KCSR Cars, as in KCSR's or MSLLC's judgment, as the case may be, may be necessary to move such KCSR Cars safely. KCSR shall reimburse MSLLC for the cost of such work done by or on behalf of MSLLC at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the Association of American Railroads ("AAR").

(d) Use Of A Clearance File

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KCSR shall have the right to operate all dimensional loads and excess clearance railcars for handling over the Subject Trackage, subject to a clearance file (the "Clearance File") applicable to traffic of NSR, KCSR, and MSLLC maintained by MSLLC. MSLLC shall promptly inform KCSR of any changes made to the Clearance File.

(e) Radio Communication

KCSR locomotives and crews operating over the Subject Trackage shall be equipped to communicate with the Designated Operator on radio frequencies normally used by the Designated Operator in directing train movements on the Subject Trackage.

(f) Safety Rules

KCSR's operations over the Subject Trackage shall at all times be subject to the direction and control of the operating officer in charge of the Subject Trackage and comply in all respects with the safety rules, operating rules and other regulations of the Designated Operator.

(g) Training of KCSR Crews.

KCSR shall make such arrangements with MSLLC as may be required to have all of its employees who shall operate its trains, locomotives, cars and Equipment over the Subject Trackage qualified for operation thereover. MSLLC shall provide reasonable cooperation and assistance in the qualification of KCSR operating (train and engine) crews for service over the Subject Trackage upon request. KCSR supervisory personnel who have been qualified to operate over the Subject Trackage may qualify other KCSR employees for operation of trains over the Subject Trackage.

(h) Modification of KCSR Train Schedules.

KCSR shall provide the Designated Operator reasonable notice of the schedules for regularly scheduled KCSR trains operating over the Subject Trackage, as well as any proposed modifications, and shall coordinate train operations with the Designated Operator and its dispatcher.

(i) Compensation.

KCSR shall compensate MSLLC for the use of the Subject Trackage pursuant to this Section 6 in accordance with Appendix B – Compensation.

(j) Mileage and Car Hire.

All mileage and car hire charges accruing on KCSR Cars on the Subject Trackage and the Jackson Trackage Rights Segment shall be assumed by KCSR and reported and paid by it directly.

SECTION 7. GENERALLY APPLICABLE PROVISIONS

(a) Compliance with Applicable Law and Rules.

(i) Each Party hereto shall comply with all applicable and lawful federal, state and local laws, rules, regulations and orders promulgated by any Governmental Entity that relate to the operations contemplated hereunder, including but not limited to the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other lawful federal and state and local 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 Route. If any fine, penalty, cost, or charge is imposed or assessed on or against either Party hereto by reason of the other Party's non-compliance with any such laws, rules, regulations or orders, such non-complying Party shall reimburse and indemnify the other Party for or on account of any such fine, penalty, cost or charge, and all expenses and attorneys fees incurred. As a part of the consideration hereof, each Party hereby agrees that the indemnity commitments in this Section in favor of the other Party hereto shall extend to and indemnify the parent corporation, subsidiaries and affiliates of such other Party, and all of their respective directors, officers, agents and employees.

(ii) KCSR'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 contained in the Clearance File maintained by MSLLC, and no train shall contain locomotives, cars or Equipment which require speed restrictions or other movement restrictions below the maximum authorized freight speeds as provided by the Designated Operator's operating rules and regulations, without the prior consent of MSLLC. The JOC shall make proper accommodation for exceptions, should that be reasonable, necessary, and practicable. All KCSR trains shall be operated by locomotives with horsepower sufficient to permit operation at posted speeds.

(iii) If any employee of KCSR shall neglect, refuse, or fail to abide by MSLLC's rules, instructions and restrictions governing the operation on or along MSLLC's property, such employee shall, upon written request of MSLLC, be prohibited by KCSR from working on MSLLC's property. If any party shall deem it necessary to hold a formal investigation to establish such neglect, refusal, or failure on the part of any employee of KCSR, then upon such notice presented in writing, KCSR shall promptly hold an investigation in which all parties concerned shall participate, with each party bearing the expense for its officers', counsel's, witnesses' and employees' participation. Notice of such investigations to KCSR's employees shall be given by KCSR's officers, and such investigation shall be conducted in accordance with the terms and conditions of schedule agreements between KCSR and its employees. If the result of such investigation warrants, such employee shall, upon written request by MSLLC, be withdrawn by KCSR from service on MSLLC's property and KCSR shall release and indemnify MSLLC from and against any and all claims and expenses because of such withdrawal.

(b) Invoices and Payment of Bills.

(i) On or before the 15th day of each calendar month during the term of this Agreement, KCSR shall prepare and deliver to MSLLC a monthly statement (the "Monthly Statement"). The Monthly Statement shall be delivered to MSLLC's designee

in electronic format. MSLLC shall develop and present to KCSR an invoice (the "Use Invoice"). That Monthly Statement shall be in electronic format, and shall contain a detailed list of the KCSR Cars that moved during the subject month, which list shall include, for each Car, the following information: (A) the GTMs and, when applicable, the resistance miles; (B) the location that the Car entered the Subject Trackage; (C) the location that the Car exited the Subject Trackage; and (D) such other information relating to the cars that MSLLC may reasonably request in connection with accounting for the use of the services and rights provided hereunder. The Monthly Statement and the Use Invoice shall be delivered to KCSR and KCSR shall make payment to MSLLC within thirty (30) days after the date of such Use Invoice.

(ii) Any dispute regarding the amount of a Monthly Statement or Use Invoice shall be reconciled between the Parties pursuant to Section 7(i), and any adjustment resulting from such reconciliation shall be reflected in a subsequent Use Invoice. If KCSR disputes any portion of a Use Invoice, it shall nevertheless pay such Use Invoice in full subject to adjustment upon resolution of the dispute; provided, however, that (i) no exception to any charge in a Use Invoice shall be honored, recognized or considered if filed after the expiration of three (3) years from the date of the Use Invoice, and (ii) no invoice shall be rendered more than three (3) years (a) after the last day of the calendar month in which the expense covered thereby is incurred, or (b) in the case of charges disputed as to amount or liability, after the amount owed or liability therefor is established. Any claim for the adjustment of a Monthly Statement or Use Invoice shall be deemed to be waived if not made in writing within three (3) years after the date of the relevant Monthly Statement for statement adjustments and the date of the relevant Use Invoice for invoice adjustments.

(iii) NSR, MSLLC and KCSR shall each have the right, at its own expense, to audit the records of the other Party pertaining to the use of the Subject Trackage and the Jackson Trackage Rights Section under this Agreement, and any Monthly Statement, Use Invoice or other invoice issued by MSLLC pursuant to this Agreement, provided such audit is initiated at any time within three (3) years of the date of the relevant Use Invoice or other invoice (as applicable) relating to this Agreement. All such audits shall be conducted at reasonable intervals, locations, and times. All such audits shall be prosecuted with reasonable due diligence. Each Party agrees that all information disclosed to it or its representatives in connection with such an audit will be held in strictest confidence and will not be disclosed to any third party (other than to an arbitrator in connection with an arbitration conducted pursuant this Agreement or as required by applicable law). Any adjustment resulting from an audit conducted pursuant to this Section 7(b)(iii) with respect to which the Parties are in concurrence shall be reflected in a subsequent Use Invoice.

(iv) Invoices rendered pursuant to the provisions of this Agreement, other than Use Invoices, shall include direct labor and material costs, together with the surcharges, overhead percentages, and Equipment rentals as specified by MSLLC at the time any work is performed by MSLLC for KCSR, or shall include actual costs and expenses, upon mutual agreement of the Parties.

(c) Liability.

As between the Parties hereto, responsibility for any loss or destruction of, or damage to, any property whatsoever, and any injury to or death of any person or persons whomever (including employees of KCSR or MSLLC) or other matters covered by the Uniform Liability Agreement, resulting from, arising out of, incidental to or occurring in connection with this Agreement shall be allocated as is set forth in the Unified Liability Agreement.

(d) Rerailing, Wrecking, Bad Orders and Repairs.

(i) Whenever one or more cars and/or locomotives in KCSR haulage service requires rerailing, wrecking service or wrecking train service, MSLLC shall arrange for the provision of such service, including the repair and restoration of roadbed, the Subject Trackage and structures. MSLLC shall promptly inform KCSR of its intent to proceed with wrecking service or wrecking train service, and shall permit a KCSR representative to be present on the scene, to work in concert with the employees of its Designated Operator to manage such wrecking service or wrecking train service. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and 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 7(c) hereof. All locomotives, cars, Equipment and salvage from the same so picked up and removed which is owned by or under the management and control of or used by KCSR at the time of such wreck, shall be promptly delivered to it.

(ii) Whenever one or more cars and/or locomotives in KCSR Trackage Rights service requires rerailing, wrecking service or wrecking train service, KCSR shall arrange for the provision of such service, including the repair and restoration of roadbed, the Subject Trackage and structures. KCSR shall promptly inform MSLLC of its intent to proceed with wrecking service or wrecking train service, and shall permit a MSLLC representative to be present on the scene, to work in concert with the employees of the Designated Operator to manage such wrecking service or wrecking train service. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and 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 7(c) hereof. All locomotives, cars, Equipment, and salvage from the same so picked up and removed which is owned by or under the management and control of or used by KCSR at the time of such wreck, shall be the responsibility of KCSR.

(iii) If any cars or locomotives of KCSR are bad ordered en route on the Subject Trackage and it is necessary that they be set out, those cars or locomotives shall, after being repaired, be picked up by KCSR after receiving proper authority from MSLLC, or if agreed upon by the parties, MSLLC will transport them to a mutually acceptable location to be picked up by KCSR. MSLLC may, upon request of KCSR and

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at the expense of KCSR, unless otherwise provided for in the Field and Office Manuals of the Interchange Rules of the AAR, furnish required labor and material to perform light repairs required to make such bad ordered Cars or locomotives safe and lawful for movement, and billing for this work shall be at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the AAR.

(e) Force Majeure.

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including flood, earthquake, hurricane, tornado, or other such severe weather or climatic condition, riot, accident, wreck, derailment, washout, explosion, Acts of God, act of terrorism and public enemy, war, blockage, insurrection, vandalism or sabotage, fire, strike, lockout or labor dispute, embargoes or AAR service orders, or governmental laws, orders or regulations, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

(f) Term and Termination.

(i) This Agreement shall become effective following the latter of: (a) the date first written above; (b) receipt of any required regulatory approvals or exemptions; and (c) the expiration of any time periods required by the issuance of labor notices by KCSR and/or MSLLC, should such labor notices be required ("Effective Date"). The Parties shall determine the Effective Date through an exchange of written correspondence.

(ii) This Agreement shall commence on the Effective Date and shall continue until terminated by mutual agreement.

(iii) Termination of this Agreement shall not relieve or release any Party hereto from any obligations assumed or from any liability which may have arisen or been incurred by such Party under the terms of this Agreement prior to termination hereof, nor shall it terminate any underlying right, or contingent right, of movement pursuant to the trackage rights grant.

(g) Successors and Assigns.

(i) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns. Third party beneficiary status shall inure to the benefit of NSR and each of its successors and permitted assigns.

(ii) Except as otherwise specifically provided hereinafter, neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party.

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(iii) In the event of a sale of substantially all of the assets or business of KCSR, or the merger or consolidation of KCSR into or with a firm or corporation not controlled by KCS, KCSR may, without the prior consent of MSLLC, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of KCSR, or merging or consolidating with KCSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of KCSR under this Agreement that existed prior to such assignment.

(iv) In the event of a sale of substantially all of the assets or business of MSLLC, or the merger or consolidation of MSLLC, MSLLC may, without the prior consent of KCSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of MSLLC, or merging or consolidating with MSLLC; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of MSLLC under this Agreement that existed prior to such assignment.

(h) Notice.

Any notice required or permitted to be given by one Party to the other Party 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:

(i) If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

(ii) If to MSLLC:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

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with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

(iii) If to NSR:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

Either Party may provide notice of changes in the above addressees to the other Party by personal service or certified mail.

(i) Arbitration.

(i) Any dispute arising between the Parties with respect to an alleged breach of this Agreement shall be referred to the JOC for resolution and if the JOC is unable to resolve the dispute, it shall be referred to the Management Committee, provided however, that any Member (as defined in the LLC Agreement) may submit the dispute for binding arbitration by a panel of three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall render a written decision on the controversy. The written decision of the arbitrators, reached upon a majority vote, shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, experts, and counsel. The compensation, costs, and expenses of the three arbitrators, if any, shall be borne by KCSR and MSLLC, with each paying 50 percent of such compensation, costs, and expenses. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. Pending the written decision of the arbitrators, there shall be no interruption in the transaction of business under this Agreement, and all payments in respect thereto shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been

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fully determined by arbitration, and thereupon such payment or restitution shall be made as required by the written decision of the arbitrators.

(ii) As a third party beneficiary, NSR may initiate and prosecute arbitration pursuant to Section 7(i)(i) on behalf of MSLLC. MSLLC shall cooperate with NSR in the preparation for, and the initiation and prosecution of, such arbitration, at NSR's expense.

(j) Confidentiality.

(i) 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 in connection with an audit by the Internal Revenue Service or other tax authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Agreement, during the term of this Agreement (including any extensions thereof), and for a period of three (3) years after termination or expiration of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by either Party to any person other than members, officers, employees, independent auditors, and attorneys, without the prior written approval of the other Party.

(ii) Notwithstanding the foregoing Section 7(j)(i), the Parties acknowledge and agree that in any STB proceeding, the Parties may be required to submit this Agreement into the record. The Parties will seek a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with certain confidential provisions redacted) may be entered into the public STB record and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

(k) Claims.

The Parties shall agree between themselves on the fairest, practical, and efficient arrangements for handling and administering freight loss and damage Claims. Such arrangements, and the allocation of responsibility for such Claims, shall be subject to the provisions of the Unified Liability Agreement.

(l) Abandonment.

(i) MSLLC shall have the right, subject to securing any necessary regulatory approval or exemption, to abandon or discontinue service on the Subject Trackage or any portion thereof (the "Abandonment Segment") during the term of this Agreement. MSLLC shall provide KCSR no less than ninety (90) days prior notice of its intention to seek to abandon or discontinue service over any Abandonment Segment.

(ii) If MSLLC elects to abandon or discontinue service over the Subject Trackage (or any portion thereof) pursuant to Section 7(l)(i), this Agreement shall continue to apply in all respects to any remaining portion of the Subject Trackage not abandoned or subject to discontinuance by MSLLC.

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(iii) MSLLC shall, not less than 60 days prior to any submission to the Surface Transportation Board (or successor agency having jurisdiction over said abandonment or discontinuance) of an application or exemption for authority to abandon or discontinue service over an Abandonment Segment(s), first offer NSR the first right to purchase such Abandonment Segment(s) in accordance with provisions of Section 7(l) of the NSR Joint Use Agreement. In the event NSR determines not to exercise its rights to purchase the Abandonment Segment(s), MSLLC shall then offer KCSR the right to purchase such Abandonment Segment(s) for the fair market value ("FMV"), and on such terms and conditions as are customary with respect to line sales, which such notice shall specifically identify this Section 7(l) and the time periods for action hereunder. NSR shall have forty-five (45) days ("Abandonment Notice Period") within which to advise MSLLC that it will exercise its right to purchase ("Exercise Notice"). If the Parties are unable to agree upon the FMV of the Abandonment Segment(s) that KCSR wishes to purchase, either Party may refer the issue to arbitration pursuant to Section 7(i), which arbitration shall determine all other issues relating to terms and conditions for the sale not then (at the time of the initiation of the arbitration) agreed to by the Parties.

(iv) The Parties shall consummate the sale contemplated by this Section 7(l) within forty-five (45) days of the latest of: (a) the rendering of a written arbitration decision, should issues related to the sale proceed to arbitration; (b) the execution of a purchase and sale agreement, should the Parties execute the same; and (c) the grant of authority, or exemption from the need to obtain a grant of authority, from any regulatory body having jurisdiction over the same.

(v) If KCSR elects not to purchase the Abandonment Segment, it shall so advise MSLLC within the same forty-five (45) day Abandonment Notice Period by delivering to MSLLC a notice of waiver of right to purchase said segment ("Waiver Notice"). Failure of KCSR to provide MSLLC with either an Exercise Notice or a Waiver Notice within the aforesaid forty-five (45) day period shall constitute a Waiver Notice.

(vi) In the event of a Waiver Notice and NSR does not purchase the Abandonment Segment pursuant to its rights in this Agreement, MSLLC shall promptly file such application, petition or exemption notice as may then be required to obtain regulatory authority or exemption for the Abandonment Segment and for the discontinuance of KCSR's and NSR's (if any) trackage rights over the Abandonment Segment.

(m) MSLLC Liability.

For the purposes of this Agreement, MSLLC shall be liable for the actions and omissions of its Designated Operator for the performance of its duties as such as if such actions or omissions were those of MSLLC.

(n) Miscellaneous Provisions.

(i) This Agreement and each and every provision hereof is for the exclusive

REDACTED

benefit of the Parties hereto. Nothing herein contained shall be taken as creating or increasing any right of any third party to recover by way of damages or otherwise against any of the Parties hereto.

(ii) This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(iii) No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing and signed by all Parties.

(iv) The division of this Agreement into articles, sections, and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to articles, sections or subsections are to articles, sections or subsections of this Agreement.

(v) This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

(vi) No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(vii) If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

(viii) Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking between MSLLC and KCSR.

(ix) This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

REDACTED

(x) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

REDACTED

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

MERIDIAN SPEEDWAY LLC

By: _____

As to MSLLC.

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

By: _____

As to NSR

WITNESS:

KANSAS CITY SOUTHERN

By: _____

As to KCS

WITNESS:

THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

By: _____

As to KCSR

REDACTED

INDEX TO APPENDICES

APPENDIX A. [Intentionally Omitted]
APPENDIX B. COMPENSATION

APPENDIX B – COMPENSATION

Section 1. Compensation for KCS Traffic

- A. KCSR shall compensate MSLLC based upon [
-].
- B. As soon as practical after the end of each calendar quarter during the term of this Agreement, MSLLC shall prepare a statement setting forth the following:

[

]

From this information, an invoice will be prepared and delivered to KCSR specifying the compensation KCSR shall pay to MSLLC for use of the Subject Trackage for that time period. KCSR shall make payment to MSLLC within thirty (30) days after date of such invoice.

E

REDACTED

**EXHIBIT E
to Transaction Agreement**

**NORFOLK SOUTHERN RAILWAY COMPANY
THE KANSAS CITY SOUTHERN RAILWAY COMPANY
WESTERN HAULAGE AGREEMENT**

THIS WESTERN HAULAGE AGREEMENT (this "Agreement") is entered into as of this ____ day of _____, 200__, by and between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSR"), and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation ("KCSR"). NSR and KCSR are referred to individually herein as a "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, on December 1, 2005, Kansas City Southern ("KCS"), KCSR, Norfolk Southern Corporation ("NSC"), and The Alabama Great Southern Railroad Company entered into a transaction agreement (the "Transaction Agreement") that, among other things, contemplated the creation of a limited liability company, Meridian Speedway LLC ("MSLLC"), the transfer from KCSR, a wholly-owned subsidiary of KCS, to MSLLC of the rail line generally between Meridian, Mississippi and Shreveport, Louisiana (the "Subject Trackage"), and the grant by MSLLC to NSR and KCSR of certain rights over the entirety of the Subject Trackage; and

WHEREAS, pursuant to a joint use agreement of even date hereof (the "NSR Joint Use Agreement"), MSLLC has granted to NSR certain overhead rights over the Subject Trackage; and further pursuant to which MSLLC has committed to perform certain haulage services for NSR; and

WHEREAS, pursuant to an operating agreement of even date hereof (the "Operating Agreement"), MSLLC will contract with KCSR to provide certain services as the designated operator ("Designated Operator") all railroad operations on behalf of MSLLC, including the railway operations of MSLLC required pursuant to the NSR Joint Use Agreement; and

WHEREAS, pursuant to the Transaction Agreement, KCSR has agreed to provide haulage for NSR for certain traffic between an interchange point with MSLLC in Shreveport, Louisiana, and an interchange point with BNSF Railway Company ("BNSF") in the Dallas, Texas area (the "Western Haulage Services"); and

WHEREAS, KCSR desires, within six (6) months of the date hereof, to enter into a haulage agreement with BNSF that would provide for an interchange between MSLLC and BNSF at Shreveport, Louisiana for NS Traffic, as hereinafter defined; and

WHEREAS, the rights granted to NSR under the NSR Joint Use Agreement are intended to be connective with the haulage service to be provided under this Agreement; and

WHEREAS, the Parties desire to set forth the terms and conditions upon which KCSR shall provide the Western Haulage Services to NSR.

REDACTED

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

(a) Interpretation Generally.

(i) Unless otherwise defined herein, 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.

(ii) Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. As used in this Agreement, the word “including” means “without limitation”, and the words “herein”, “hereof” and “hereunder” refer to this Agreement as a whole. All dollar amounts stated herein are in United States currency.

(b) Capitalized Terms.

All capitalized terms shall have the meaning set forth as follows:

“Abandonment Notice Period” shall have the meaning given that term in Section 5(m)(iii).

“Abandonment Segment” shall have the meaning given that term in Section 5(m)(i).

“Agreement” shall have the meaning given that term in the introductory paragraph.

“AAR” shall have the meaning given that term in Section 2(b)(vii).

“BNSF” shall have the meaning given that term in the Recitals.

“BNSF Dallas Interchange Fee” shall have the meaning given that term in Appendix C, Section 1.A.

“BNSF Shreveport Agreement” shall have the meaning given that term in Section 2(a)(ii).

“Cars” means each loaded or empty railroad freight car (including platform and well rail cars) or similar equipment.

“Clearance File” shall have the meaning given that term in Section 2(b)(viii).

“Cost Factor” shall have the meaning given that term in Appendix C, Section 1.D(2).

“Designated Operator” shall have the meaning given that term in the Recitals.

“EOTs” shall have the meaning given to that term in Section 2(a)(iv).

REDACTED

“Effective Date” shall have the meaning given that term in Section 5(f)(i).

“Equipment” shall mean and be confined to hi-rail vehicles, track inspection equipment and other non-revenue vehicles and machinery (other than locomotives) capable of being operated on railroad tracks that, at the time of an occurrence, are (i) being operated on the trackage upon which such occurrence takes place, or (ii) are on the trackage upon which such occurrence takes place, or on the adjoining right-of-way, for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.

“Exercise Notice” shall have the meaning given that term in Section 5(m)(iii).

“FMV” shall have the meaning given that term in Section 5(m)(iii).

“Governmental Entity” shall mean any federal, state, local or foreign court, administrative agency or commission or other governmental or regulatory authority or commission or any arbitration tribunal.

“Haulage Services” shall have the meaning given that term in Section 2(a)(i).

“Imbalance Threshold” shall have the meaning given that term in Appendix C, Section 2.

“JOC” shall have the meaning given that term in Section 5(i).

“MSLLC” shall have the meaning given that term in the Recitals.

“KCS” shall have the meaning given that term in the Recitals.

“KCSR” shall have the meaning given that term in the introductory paragraph.

“KCSR-MSLLC Master Interchange Agreement” shall mean that interchange agreement of even date hereof entered into by and among KCSR, MSLLC and NSR that governs interchange between KCSR and MSLLC.

“Minimum Availability” shall have the meaning given that term in Section 3(a)(iii).

“Monthly Statement” shall have the meaning given that term in Section 5(b)(i).

“NS Traffic” shall mean all intermodal traffic that: (i) originates or terminates in the United States west of Dallas/Ft. Worth (including intermodal traffic originating by steamship line at a port along the west coast of the United States) and enters or exits the Subject Trackage at Shreveport; and (ii) originates or terminates in the United States at or east of Meridian and enters or exits the Subject Trackage at Meridian; and (iii) does not consist of traffic originating or terminating at any station on the KCSR system which includes the Texas Mexican Railway Company, (including any station where KCSR, or the Texas Mexican Railway Company have trackage rights or access via reciprocal switch), as it exists on the date of the Transaction Agreement.

REDACTED

“NSC” shall have the meaning given that term in the Recitals.

“NSR” shall have the meaning given that term in the introductory paragraph.

“NSR Haulage Cars” shall mean cars transporting NS Traffic, and empty cars intended for moving such traffic.

“NSR Locomotives” shall mean locomotives supplied to provide the Haulage Service under the agreement referenced in Section 2(a)(iv).

“NSR Trains” shall mean trains containing NSR Haulage Cars.

“NSR Joint Use Agreement” shall have the meaning given that term in the Recitals.

“Operating Agreement” shall have the meaning given that term in the Recitals.

“Parties” shall have the meaning given that term in the introductory paragraph.

“Party” shall have the meaning given that term in the introductory paragraph.

“Revenue Factor” shall have the meaning given that term in Appendix C.

“Route” shall have the meaning given that term in Section 2(a)(i).

“RPM” shall have the meaning given that term in Appendix C.

“Subject Trackage” shall have the meaning given that term in the Recitals.

“Term” shall have the meaning given that term in Section 5(f)(ii).

“Transaction Agreement” shall have the meaning given that term in the Recitals.

“Use Invoice” shall have the meaning given that term in Section 5(b)(1).

“Waiver Notice” shall have the meaning given that term in Section 5(m)(v).

“Weighted Adjustment Factor” shall have the meaning given that term in Appendix C, Section D(3).

“Western Haulage Services” shall have the meaning given that term in the Recitals.

(c) Successor Laws.

A reference to any particular statute or regulation shall include a reference to any successor statute or regulation.

SECTION 2. GRANT OF HAULAGE SERVICES

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(a) Haulage Services Generally.

(i) The haulage services to be provided by KCSR to NSR shall consist of, as applicable, the following (collectively, the rights granted herein are the “Haulage Services”):

(A) the transportation by KCSR of NSR Haulage Cars over the lines of KCSR from Metro Junction, or such other location in the Dallas/Ft. Worth area as the Parties may from time to time mutually designate, to an interchange with the lines owned by MSLLC at Shreveport, LA at or near M.P. V-169.85, said route being generally described and depicted in Appendix A – Map, (the “Route”);

(B) the interchange of NSR Haulage Cars with BNSF in the Dallas/Ft. Worth, Texas area;

(C) the movement of bad order NSR Haulage Cars and NSR locomotives to or from repair tracks, provided, that NSR will be billed separately for repairs to such equipment performed by KCSR pursuant to Section 2(b)(vii) of this Agreement;

(D) such mechanical or other inspection of NSR Haulage Cars and locomotives as may be prescribed by regulation or KCSR’s operating practices; and

(E) provision of supervision as required.

(ii) KCSR shall be relieved of its obligation to provide Haulage Services to NSR over the Route if, on or before[

], KCSR and BNSF enter into an agreement (“BNSF Shreveport Agreement”) with scheduled duration of at least [] whereby KCSR is obligated to provide haulage services or trackage rights to BNSF on commercially reasonable terms for the movement of NS Traffic between the Dallas, Texas area and an interchange point with MSLLC for the continued movement of NSR Cars or NSR Trains at or near Shreveport, Louisiana area.

(iii) Capacity Rights

Notwithstanding any other provisions of this Agreement, the Parties acknowledge that there may be capacity constraints from time to time for traffic covered under this Agreement. Further, the Parties acknowledge that NSR is allocated certain overhead train starts pursuant to the NSR Joint Use Agreement, and that a portion of those NSR overhead train starts are reserved for the overhead movement of traffic moving pursuant to this Agreement, the Dallas Terminal Marketing Agreement, and the BNSF Shreveport Agreement. Whenever capacity of the Route is insufficient to handle the total traffic demands of users of the line, the capacity allocation rules in the last sentence of Section 6(b)(ii) of the NSR Joint Use Agreement shall apply. Nothing in this Section 2(a)(iii) shall be interpreted as requiring NSR to pay for any service not used.

(iv) The Parties continue to be bound by the Supplemental Agreement dated May 11, 2000, to the Master Locomotive Run Through Agreement of November 29, 1994, attached hereto as Appendix B and the Amendment No. 1 to the Haulage Agreement dated February 1, 2002. KCSR shall not be responsible for providing any equipment (locomotives, cars, end of train units ("EOTs"), etc.), or fuel for the trains providing the Haulage Services.

(v) NSR Haulage Cars shall at all times remain in the revenue waybill and car hire accounts of NSR while moving in Haulage Service on KCSR's lines. KCSR shall not be entitled to any line haul revenue for the handling of NSR Haulage Cars, nor shall KCSR participate in the routing of, nor appear in tariffs, waybills or other shipping documents as a participating carrier in connection with, the movement of NSR Haulage Cars. As between KCSR and NSR, NSR shall be responsible for all mileage and car hire charges accruing on NSR Haulage Cars, and NSR shall report and pay, or arrange to have reported and paid, all appropriate allowances and charges directly to the owner(s) of such cars.

(b) Conduct Of Operations.

(i) Unless and until NSR exercises its trackage rights pursuant to the NSR Joint Use Agreement, KCSR shall deliver eastbound NSR Haulage Cars to MSLLC, and shall receive westbound NSR Haulage Cars from MSLLC, at Shreveport, LA, on such track(s) as shall be designated from time to time by KCSR's dispatcher pursuant to the KCSR-MSLLC Master Interchange Agreement. Nothing herein shall be interpreted as prohibiting KCSR, as the Designated Operator, from transporting NSR Haulage Cars in a continuous movement operating over both the haulage routes covered by: (i) the NSR Joint Use Agreement and (ii) this Agreement.

(ii) In the event that NSR exercises its trackage rights pursuant to the NSR Joint Use Agreement, KCSR shall deliver eastbound NSR Haulage Cars to NSR, and shall receive westbound NSR Haulage Cars from NSR, at Shreveport, LA, on such track(s) as shall be designated from time to time by KCSR's dispatcher or other designated representative in charge of such tracks at Shreveport pursuant to the NSR-KCSR Master Interchange Agreement.

(iii) KCSR shall deliver westbound NSR Haulage Cars to BNSF, and shall receive eastbound NSR Haulage Cars from BNSF at Metro Junction or such other location in the Dallas/Ft. Worth area, as the parties may from time to time mutually designate, and on such tracks at such delivery location as shall be designated from time to time by KCSR and BNSF.

(iv) The party delivering NSR Haulage Cars to the receiving party shall provide, via EDI transmission (or by such other means as may be mutually agreed by said parties), information necessary for the further handling and movement of NSR Haulage Cars that are delivered by the delivering party to the receiving party. Such information shall include, for each car:

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(A) Car initial and number.

(B) Loaded or empty.

(C) All required hazardous materials information.

(D) Such other information as the parties may agree to be necessary or convenient for the safe and efficient exchange and further movement of such cars.

(v) KCSR shall have exclusive management and control over the movement of trains containing NSR Haulage Cars while on the Route.

(vi) KCSR shall not have the right to fill out any NSR Trains with the rail cars or Equipment in the revenue waybill or car hire account of any party other than NSR.

(vii) KCSR may arrange for such repairs to NSR Haulage Cars, and adjustments to or transfers of lading from bad ordered, defective or overloaded NSR Haulage Cars, as in KCSR's judgment may be necessary to move such NSR Haulage Cars safely. NSR shall reimburse KCSR for the cost of such work at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the Association of American Railroads ("AAR").

(viii) NSR shall have the right to tender all dimensional loads and excess clearance Cars for handling by KCSR over the Route, subject to a clearance file (the "Clearance File") applicable to traffic of both Parties maintained by KCSR. KCSR shall promptly inform NSR of any changes made to the Clearance File.

(c) Service Standards.

(i) It is the intent of the Parties that KCSR shall generally accord NSR Haulage Cars the same level of service as the KCSR provides to KCSR's traffic of the same type.

(ii) NSR shall provide KCSR with reasonable notice of the schedules for regularly scheduled NSR trains operating over the Subject Trackage and KCSR shall attempt to accommodate such schedules but does not guarantees that it will do so.

(d) Compensation.

NSR shall pay to KCSR, as compensation for Haulage Services provided pursuant to this Agreement as set forth in Appendix C – Haulage Compensation.

SECTION 3. INFRASTRUCTURE MAINTENANCE

(a) KCSR shall be solely responsible for the maintenance, repair and renewal of the Route. KCSR shall keep and maintain the Route in reasonably good condition for the use herein contemplated, but KCSR does not guarantee the condition of the Route or that operations thereover will not be interrupted. KCSR shall take reasonable steps to ensure that any

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interruptions will be kept to a minimum and shall use commercially reasonable efforts to avoid such interruptions.

(b) Existing connections or facilities, which are jointly used by the Parties hereto under existing agreements, 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.

SECTION 4. MANAGEMENT OF THE ROUTE

(a) Control And Dispatching

(i) KCSR shall have exclusive control of the management and operation (including dispatching) of the Route. Operation and control, including train and crew dispatching, of the Route shall be conducted in a manner as to afford each of the Parties, and any other present or future user of the Route (or any portion thereof) the most economical and efficient movement of its traffic over the line.

(ii) KCSR shall have exclusive control over the dispatching of the Route. Dispatching of the Route shall be conducted in a manner as to afford each of the Parties, and any other present or future user of the Route (or any portion thereof) the most economical and efficient movement of its traffic over the line consistent with the demands and needs of other authorized uses.

(iii) The maximum length of NSR Trains (including locomotives and other motive power units) operating pursuant to Section 2 of this Agreement shall be the greater of: (a) 7,500 feet or (b) the maximum train length as may be permitted from time to time for any other train regularly operated over the Route.

(b) Loss of Use of the Route.

(i) Other than as specifically set forth in this Agreement, NSR shall not have, pursuant to this Agreement, any claim against KCSR for liability on account of loss or damage of any kind in the event the use of the Route by NSR is interrupted or delayed at any time from any cause.

(ii) If the Route is unavailable for service due to a derailment, line outage or other interruption of service, then KCSR shall cooperate and consult with NSR in order to address any resulting backlog of trains over a period of time following the resolution of such derailment or other interruption as may be required to reduce such backlog of NSR Traffic or NSR Trains.

SECTION 5. GENERALLY APPLICABLE PROVISIONS

(a) Compliance with Applicable Law and Rules.

Each Party hereto shall comply with all applicable and lawful federal, state and local laws, rules, regulations and orders promulgated by any Governmental Entity that

relate to the operations contemplated hereunder, including but not limited to the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other lawful federal and state and local 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 Route. If any fine, penalty, cost, or charge is imposed or assessed on or against either Party hereto by reason of the other Party's non-compliance with any such laws, rules, regulations or orders, such non-complying Party shall reimburse and indemnify the other Party for or on account of any such fine, penalty, cost or charge, and all expenses and attorneys fees incurred. As a part of the consideration hereof, each Party hereby agrees that the indemnity commitments in this Section in favor of the other Party hereto shall extend to and indemnify the parent corporation, subsidiaries and affiliates of such other Party, and all of their respective directors, officers, agents and employees.

(b) Invoices and Payment of Bills.

(i) As soon as practical after the end of each calendar month during the term of this Agreement, KCSR shall prepare a statement setting forth the number of eastbound and westbound NSR Haulage Cars, the number of intermodal units in each, the total number of intermodal units handled in Haulage Service during the then-current calendar quarter, and the number of empty slots operated over the Route during the month (the "Monthly Statement") and an invoice (the "Use Invoice"). The Monthly Statement shall be in electronic format, and shall contain a detailed list of the NSR Haulage Cars that moved during the subject month, which list shall include, for each Car, the following information: (1) car initial and number, (2) whether the car exceeded ninety-six (96) feet in length (including, without limitation, articulated cars), (3) for each car exceeding ninety-six (96) feet in length, the number of axles on such car, and (4) any other information relating to such cars that NSR may reasonably request in connection with accounting for the use of the services and rights provided hereunder. The Monthly Statement and the Use Invoice shall be delivered to NSR and NSR shall make payment to KCSR within thirty (30) days after the date of receipt of such Use Invoice.

(ii) Any dispute regarding the amount of a Monthly Statement or Use Invoice shall be reconciled between the Parties, and any adjustment resulting from such reconciliation shall be reflected in a subsequent Use Invoice. If NSR disputes any portion of an Use Invoice, it shall nevertheless pay such Use Invoice in full less disputed charges, subject to adjustment upon resolution of the dispute; provided, however, that (i) no exception to any charge in a Use Invoice shall be honored, recognized or considered if filed after the expiration of three (3) years from the date of the Use Invoice, and (ii) no invoice shall be rendered more than three (3) years (a) after the last day of the calendar month in which the expense covered thereby is incurred, or (b) in the case of charges disputed as to amount or liability, after the amount owed or liability therefor is established. Any claim for the adjustment of a Monthly Statement or Use Invoice shall be deemed to be waived if not made in writing within three (3) years after the date of the relevant Monthly Statement for statement adjustments and the date of the relevant Use Invoice for invoice adjustments.

(iii) KCSR and NSR shall each have the right, at its own expense, to audit the records of the other Party pertaining to the use of the Route under this Agreement, and any Monthly Statement, Use Invoice or other invoice or notice of dispute thereof issued by KCSR or NSR pursuant to this Agreement, provided such audit is initiated at any time within three (3) years of the date of the relevant Use Invoice or other invoice (as applicable) relating to this Agreement. All such audits shall be conducted at reasonable intervals, locations, and times. All such audits shall be prosecuted with reasonable due diligence. Each Party agrees that all information disclosed to it or its representatives in connection with such an audit will be held in strictest confidence and will not be disclosed to any third party (other than to an arbitrator in connection with an arbitration conducted pursuant this Agreement or as required by applicable law). Any adjustment resulting from an audit conducted pursuant to this Section 5(b)(iii) with respect to which the Parties are in concurrence shall be reflected in a subsequent Use Invoice.

(iv) Invoices rendered pursuant to the provisions of this Agreement, other than Use Invoices, shall include direct labor and material costs, together with the surcharges, overhead percentages, and Equipment rentals as specified by KCSR at the time any work is performed by KCSR for NSR, unless the amount of such invoice is governed by Field and Office Manuals of the Interchange Rules of the AAR or unless the Parties otherwise agree to use actual costs and expenses.

(c) Liability.

As between the Parties hereto, responsibility for any loss or destruction of, or damage to, any property whatsoever, and any injury to or death of any person or persons whomever (including employees of NSR or KCSR), or other matters covered by the Unified Liability Agreement, resulting from, arising out of, incidental to or occurring in connection with this Agreement shall be allocated as is set forth in the Unified Liability Agreement.

(d) Rerailing, Wrecking, Bad Orders and Repairs.

(i) Whenever NSR Haulage Cars require rerailing, wrecking service or wrecking train service, KCSR shall arrange for the provision of such service, including the repair and restoration of roadbed, the Route and structures. KCSR shall promptly inform NSR of its intent to proceed with wrecking service or wrecking train service, and shall permit a NSR representative to be present on the scene, to work in concert with KCSR employees to manage such wrecking service or wrecking train service. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and 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 5(c) hereof. All locomotives, cars, Equipment and salvage from the same so picked up and removed which is owned by or under the management and control of or used by NSR at the time of such wreck, shall be promptly delivered to it.

(ii) If any NSR Haulage Cars or NSR Locomotives are bad ordered en route on the Route and it is necessary that they be set out, those cars or locomotives shall, after being repaired, be transported by KCSR to be picked up by NSR. KCSR may, upon request of NSR and at the expense of NSR, unless otherwise provided for in the Field and Office Manuals of the Interchange Rules of the AAR, furnish required labor and material to perform light repairs required to make such bad ordered cars or locomotives safe and lawful for movement, and billing for this work shall be at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the AAR.

(e) Force Majeure.

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including flood, earthquake, hurricane, tornado, or other such severe weather or climatic condition, riot, accident, wreck, derailment, washout, explosion, Acts of God, act of terrorism and public enemy, war, blockage, insurrection, vandalism or sabotage, fire, strike, lockout or labor dispute, embargoes or AAR service orders, or governmental laws, orders or regulations, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

(f) Term and Termination.

(i) This Agreement shall become effective following the latest date of: (a) the date first written above; (b) receipt of any required regulatory approvals or exemptions; and (c) the expiration of any time periods required by the issuance of labor notices by NSR and/or KCSR, should such labor notices be required ("Effective Date"). The Parties shall determine the Effective Date through an exchange of written correspondence.

(ii) This Agreement shall commence on the Effective Date, and shall continue until terminated in writing jointly by the Parties (the "Term").

(iii) Termination of this Agreement shall not relieve or release any Party hereto from any obligations assumed or from any liability which may have arisen or been incurred by such Party under the terms of this Agreement prior to termination.

(g) Successors and Assigns.

(i) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns.

(ii) Except as otherwise specifically provided hereinafter, neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including

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by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party.

(iii) In the event of a sale of substantially all of the assets or business of NSR, or the merger or consolidation of NSR into or with a firm or corporation not controlled by NSC, NSR may, without the prior consent of KCSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of NSR, or merging or consolidating with NSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of NSR under this Agreement that existed prior to such assignment.

(iv) In the event of any of the following, KCSR shall, without the prior consent of NSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of KCSR, or merging or consolidating with KCSR: (A) a sale of substantially all of the assets or business of KCSR; (B) a sale or lease or other change of control of all or substantially all of the Route to a party other than KCSR; or (C) the merger or consolidation of KCSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of KCSR under this Agreement that existed prior to such assignment

(h) Notice.

Any notice required or permitted to be given by one Party to the other Party 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:

(i) If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

(ii) If to NSR:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

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Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

Either Party may provide notice of changes in the above addressees to the other Party by personal service or certified mail.

(i) Arbitration.

Any dispute arising between the Parties with respect to an alleged breach of this Agreement shall be referred to the Joint Operating Committee (“JOC”), as defined in the NSR Joint Use Agreement, for resolution, and if the JOC is unable to resolve the dispute, it shall be referred to the Management Committee, provided however, that any Member (as defined in the LLC Agreement) may submit the dispute for binding arbitration by a panel of three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall render a written decision on the controversy. The written decision of the arbitrators, reached upon a majority vote, shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, experts, and counsel. The compensation, costs, and expenses of the three arbitrators, if any, shall be borne by NSR and KCSR, with each paying 50 percent of such compensation, costs, and expenses. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. Pending the written decision of the arbitrators, there shall be no interruption in the transaction of business under this Agreement, and all payments in respect thereto shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been fully determined by arbitration.

(j) Confidentiality.

(i) Except as provided by law or by rule, order, or regulation of any Governmental Entity or the New York Stock Exchange, or in connection with an audit by the Internal Revenue Service or other tax authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Agreement, during the Term, and for a period of three (3) years after termination of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by either Party to any person other than members, officers, employees, independent auditors and attorneys, without the prior written approval of the other Party.

(ii) Notwithstanding the foregoing Section 5(j)(i), the Parties acknowledge and agree that in any STB proceeding, the Parties may be required to submit this Agreement into the record. The Parties will seek a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with certain confidential provisions redacted) may be entered into the public STB record

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and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

(k) Breach of this Agreement.

(a) Each Party acknowledges and agrees that the other Party would be irreparably damaged in the event any of the provisions of this Agreement were not performed by it in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions to prevent further breaches of such provisions and to specifically enforce such provisions, in addition to any other remedy to which such entity may be entitled, at law or in equity.

(b) In no event shall either or KCSR or NSR (including, in each case, their affiliates) be liable to the other for any consequential, indirect, incidental, punitive or other similar damages including, but not limited to, lost profits for any breaches or defaults, or any act or omission arising out of or in any way relating to this Agreement, under any form or theory of action whatsoever, whether in contract, tort or otherwise.

(l) Claims.

The Parties shall agree between themselves on the most fair, practical, and efficient arrangements for handling and administering freight loss and damage Claims. Such arrangements, and the allocation of responsibility for such Claims, shall be subject to the provisions of the Unified Liability Agreement.

(m) Abandonment.

(i) KCSR shall have the right, subject to securing any necessary regulatory approval or exemption, to abandon or discontinue service on the Route or any portion thereof (the "Abandonment Segment") during the term of this Agreement. KCSR shall provide NSR no less than ninety (90) days prior notice of its intention to seek regulatory authority to abandon or discontinue service over any Abandonment Segment.

(ii) If KCSR elects to abandon or discontinue service over the Route (or any portion thereof) pursuant to Section 5(l)(i), this Agreement shall continue to apply in all respects to any remaining portion of the Route not abandoned or subject to discontinuance by KCSR.

(iii) KCSR shall, not less than 90 days prior to any submission to the Surface Transportation Board (or successor agency having jurisdiction over said abandonment or discontinuance of service) of an application or exemption for authority to abandon or discontinue service over an Abandonment Segment(s), offer NSR the first right to purchase such Abandonment Segment(s) for fair market value ("FMV") of such Abandonment Segment(s) at the time of purchase, and on such other terms and conditions as are customary with respect to line sales at the time, which such notice shall specifically identify this Section 5(m) and the time periods for action hereunder. NSR shall have seventy-five (75) days ("Abandonment Notice Period") within which to advise KCSR that it will exercise its right to purchase ("Exercise Notice"). If the Parties are unable to

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agree upon the FMV of the Abandonment Segment(s) that NSR wishes to purchase, either Party may refer the issue to arbitration pursuant to Section 5(i), which arbitration shall determine all other issues relating to terms and conditions for the sale not then (at the time of the initiation of the arbitration) agreed to by the Parties. Such arbitration shall be conducted on an expedited basis, with selection of the arbitrators within forty-five (45) days of the initiation of arbitration, all submissions to be made by the Parties within ninety (90) days of the initiation of arbitration, and a written decision to be rendered within thirty (30) days following the final submissions of the Parties.

(iv) The Parties shall consummate the sale contemplated by this Section 5(m) within forty-five (45) days of the latest of: (a) the rendering of a written arbitration decision, should issues related to the sale proceed to arbitration; (b) the execution of a purchase and sale agreement, should the Parties execute the same; and (c) the grant of authority, or exemption from the need to obtain a grant of authority, from any regulatory body having jurisdiction over the same.

(v) If NSR elects not to purchase the Abandonment Segment, it shall so advise KCSR within the same seventy-five (75) day Abandonment Notice Period by delivering to KCSR a notice of waiver of right to purchase said segment ("Waiver Notice"). Failure of NSR to provide KCSR with either an Exercise Notice or a Waiver Notice within the aforesaid seventy-five (75) day period shall constitute a Waiver Notice.

(vi) In the event of a Waiver Notice, KCSR shall promptly file such application, petition or exemption notice as may then be required to obtain regulatory authority or exemption for the Abandonment Segment and for the discontinuance of its rights over the Abandonment Segment.

(o) Miscellaneous Provisions.

(i) This Agreement and each and every provision hereof is 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 of any third party to recover by way of damages or otherwise against any of the Parties hereto.

(ii) This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(iii) No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by all Parties.

(iv) The division of this Agreement into articles, sections and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to articles, sections or subsections are to articles, sections or subsections of this Agreement.

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(v) This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

(vi) No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(vii) If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

(viii) Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking between KCSR and NSR.

(ix) This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

(x) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

As to KCSR.

By: _____

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

By: _____

REDACTED

As to NSR

REDACTED

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APPENDIX C – HAULAGE COMPENSATION

Section 1. Pricing For NS Traffic

A. NS Traffic – Initial Pricing

NSR shall pay to KCSR the following for Haulage Services in the movement of NS Traffic for transportation over the Route between the Dallas, TX, area and Shreveport (MP V – 169.85):

[]	[]
[]	[]
[]	[]
[]	[]

[
].

B. Empties – Initial Pricing:

(1) NSR shall pay to KCSR [] on an empty railcar moving over the Route between Shreveport (MP V- 169.85) and the Dallas, TX, area upon the following conditions:

(a) Empty cars ride on a haulage train consisting of []. Empty cars will not be limited in number as long as the maximum train length allowable at that time is not exceeded. All empty cars will ride as one block at the end of the haulage train.

(b) The loaded cars meet or exceed []. In the event NSR fails to maintain[], then the Parties agree to meet at KCSR's request to establish rates to compensate KCSR adequately for the excess empty wells and platforms.

(c) A "slot" is defined as any available rail car space that can minimally hold a 40' TOFC/COFC unit. There are (i) two slots per well of a single or multi-well stack car; or (ii) one slot per hitch on a single flat car or multi-platform conventional spine car. The following table serves as an example of pricing scenarios for empty rail car moves. There may be other pricing scenarios.

Empty Car Description	Number of Slots	Price per Car
[]	[]	[]
[]	[]	[]
[]	[]	[]

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[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

C. Adjustments to Pricing:

The pricing described in this Agreement shall be in effect as of the effective date of this Agreement, and shall continue in effect through December 31, 2006. Effective with trains that originate on January 1, 2007, an Adjustment Factor of [] will be applied to per train pricing, per unit pricing, and empty rail car pricing. Effective with trains that originate on January 1, 2008 a Weighted Adjustment Factor (as described below) will be applied to per train pricing, per unit pricing and empty platform pricing. The Weighted Adjustment Factor will be calculated as follows:

[

]:

[

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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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[

].

(4) The Weighted Adjustment Factor will be applied to Calendar Year 2007 Prices to determine pricing for 2008. The same method will be applied to adjust prices for each subsequent year (by multiplying the then current prices by the new Weighted Adjustment Factor).

Section 2. Imbalance Fees.

[

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[
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[
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[
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[
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Section 3 . Miscellaneous Provisions.

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A. Either Party shall have the right to conduct an audit, by a third party acceptable to the other Party, with respect to any of the provisions of this Agreement, provided that the third party's report to the Party requesting the audit shall be limited to whether or not the Agreement has been complied with, and the extent of the inaccuracy, if any. However, the Party whose records are being audited shall receive a full report from the auditor concerning the findings from such audit.

B. Payments of any liquidated damages pursuant to this Agreement shall be made no later than [].

F

**EXHIBIT F
to Transaction Agreement**

KCS MSLLC MASTER INTERCHANGE AGREEMENT

THIS AGREEMENT (the “KCS MSLLC Master Interchange Agreement” or “Agreement”) is entered into as of this ____ day of _____, 200____, by and between MERIDIAN SPEEDWAY LLC, a Delaware limited liability company (“MSLLC”), and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation (“KCSR”). MSLLC and KCSR are referred to individually herein as a “Party” and collectively as the “Parties”.

RECITALS:

WHEREAS, on December 1, 2005, Kansas City Southern (“KCS”), KCSR, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation (“NSC”) entered into a transaction agreement (the “Transaction Agreement”) that, among other things, provides for the creation of MSLLC, the transfer from KCSR to MSLLC of the Subject Trackage, as defined in the Transaction Agreement, and the grant by MSLLC to KCSR and Norfolk Southern Railway Company (“NSR”) of certain rights over the Subject Trackage; and

WHEREAS, on even date hereof, KCSR and MSLLC entered into the KCSR Joint Use Agreement, pursuant to which KCSR has been granted certain local and overhead trackage rights and haulage rights over the Subject Trackage; and

WHEREAS, the Transaction Agreement anticipates that, pursuant to an operating agreement, MSLLC will hire KCSR to perform as the designated operator (“Designated Operator”) all railroad operations on behalf of MSLLC, including the railway operations required pursuant to the KCS Joint Use Agreement and the NSR Joint Use Agreement; and

WHEREAS, the Parties desire to set forth, among other things, the method for the physical interchange of traffic between KCSR and MSLLC;

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. INTERCHANGE LOCATIONS

Each Party shall deliver railroad cars and intermodal platforms, loaded and empty (“Interchange Cars”), and all other equipment and locomotives to be interchanged between the Parties (“Run-Through Equipment”), to the other Party, on tracks owned or controlled by one of the Parties along the Subject Trackage (“Interchange Tracks”), as shown on the map appended hereto as Appendix A – Map, as well as other locations that, from time to time, the Parties may designate.

SECTION 2. DEFINITIONS

In each case, the Party that owns or controls the relevant Interchange Tracks shall hereinafter be referred to as the “owner” of said Interchange Tracks or the “receiving carrier”, and the other Party shall hereinafter be referred to as the “user” of said Interchange Tracks or the “delivering carrier.” Designation of specific tracks for delivery to and from KCSR and MSLLC will be agreed upon between local KCSR and MSLLC operating officers. A “train” consists of at least one locomotive connected to at least one Interchange Car.

SECTION 3. USE AND RESTRICTION OF USE OF INTERCHANGE TRACKS

(a) KCSR’s and MSLLC’s use of the Interchange Tracks shall be in common with each other and neither Party’s right to use the Interchange Tracks shall be diminished by this Agreement.

(b) Neither Party shall use any part of the Interchange Tracks for the purpose of switching, storage of cars, locomotives or equipment, or the making or breaking up of trains, except as necessary for interchange purposes, provided, however, that nothing contained herein shall preclude the emergency use by either Party, upon prior approval of the other Party, of such auxiliary tracks as may be designated by the owner for that purpose.

(c) Each Party hereby grants to the other Party the right to use so much of the Interchange Tracks and connecting trackage as may be necessary to accomplish such interchange between the Parties hereto.

(d) No compensation shall be payable by either KCSR or MSLLC to the other for use of the Interchange Tracks granted pursuant to this Interchange Agreement.

SECTION 4. INTERCHANGE

(a) Interchange Cars not accompanied by Run-Through Equipment shall be deemed interchanged from the delivering carrier to the receiving carrier when the locomotive consist is uncoupled from such Interchange Cars after such Interchange Cars are placed on the Interchange Tracks by the delivering carrier and proper notification and documentation sufficient to permit further movement of said Interchange Cars is delivered to the receiving carrier.

(b) Run-Through Equipment and Interchange Cars accompanied by Run-Through Equipment (in each case, a “Run-Through Train”) shall be deemed interchanged when: (i) the Run-Through Train is placed on the interchange tracks and the delivering crew has disembarked from the Run-Through Train; or (ii) for a Run-Through Train that moves between KCSR owned or controlled track and MSLLC owned or controlled track, at the time the locomotives on the Run-Through Train cross the property line between the KCSR owned or controlled track and the MSLLC owned or controlled track. KCSR and MSLLC may jointly agree that data provided by Automatic Equipment Identification

(AEI) readers at specified locations will be used to identify the interchange time between KCSR and MSLLC.

(c) Except as may be provided in the KCSR Joint Use Agreement, once an Interchange Car or Run-Through Equipment is interchanged onto Interchange Tracks, it shall transfer to the account of the receiving carrier for, as may be relevant for said particular Interchange Car or Run-Through Equipment, the purpose of determining liability for car hire charges and liability under the provisions of Section 6. The interchange of Interchange Cars also shall be subject to the interchange rules adopted by the Association of American Railroads, as the same shall be amended from time to time (the "AAR Interchange Rules"). To the extent that the terms of this Agreement conflict with the AAR Interchange Rules, the terms of this Agreement shall control.

(d) Neither KCSR nor MSLLC shall have the right to permit or admit any third party to the use of all or any portion of the other Party's Interchange Tracks without the prior written approval of the other Party, which may be withheld in said other Party's sole discretion.

SECTION 5. MANAGEMENT AND OPERATIONS

(a) The locomotives and crews of the user when operating over the Interchange Tracks shall be equipped to communicate with owner of the Interchange Tracks on radio frequencies normally used by the owner in directing train movements on the Interchange Tracks.

(b) Procedures for qualification and occupancy of the Interchange Tracks by the user shall be arranged by the local supervisors of KCSR and MSLLC. The user's operations over the Interchange Tracks shall at all times be subject to the direction and control of the owner's operating officer in charge of the Interchange Tracks and to applicable provisions of owner's safety and operating rules.

(c) Locomotives providing the power as Run-Through Equipment shall be in good running order, properly serviced and equipped, and adequately fuelled.

(d) Interchange Cars and Run-Through Equipment shall not exceed the width, height, weight or other restrictions or capacities on the Interchange Tracks.

(e) The owner shall have exclusive control of the management and operation (including dispatching) of the Interchange Trackage. The owner shall exercise control over the Interchange Tracks in a fair, equitable and impartial manner in order to promote the most economical and efficient movement of all traffic over the Interchange Tracks.

(f) The owner shall be solely responsible for the maintenance, repair and renewal of the Interchange Tracks. The owner shall keep and maintain the Interchange Tracks in reasonably good condition for the use herein contemplated, but the owner does not guarantee the condition of the Interchange Tracks or that operations thereover will

not be interrupted. The owner shall take reasonable steps to ensure that any interruptions will be kept to a minimum and shall use its best efforts to avoid such interruptions.

(g) The user shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other federal and state and local laws, regulations and rules respecting the operation, condition, inspection and safety of the its trains, Interchange Cars and Run-Through Equipment while such trains, Interchange Cars and Run-Through Equipment are being operated over the Interchange Tracks.

(h) The user in its use of the Interchange Tracks shall comply in all respects with the safety rules, operating rules and other regulations of the owner, and the movement of the user's trains, Interchange Cars and Run-Through Equipment over the Interchange Tracks shall at all times be subject to the orders of the transportation officers of the owner; provided, however, that such safety rules, operating rules, other regulations and orders of the transportation officers of the owner shall not discriminate between the Parties.

(i) If any employee of the user shall neglect, refuse or fail to abide by the owner's rules, the instructions and restrictions governing the operation on or along the Interchange Tracks or the associated owner's property, such employee shall, upon written request of the owner, be promptly withheld from working on the owner's property pending the results of a formal investigation of the alleged neglect, refusal or failure. After the foregoing request is given to the user, the user shall promptly hold an investigation, in which all parties concerned shall participate and bear the expense for its officers, counsel, employees and witnesses. Notice of such investigation to the user's employees shall be given by the user's officers. The investigation shall be conducted in accordance with any applicable terms and conditions of schedule agreements between the user and its employees. If the result of such investigation warrants, such employee shall, upon written request by the owner, be restricted by the user from service on the Interchange Tracks.

(j) The user shall not have any claim against the owner for liability on account of loss or damage of any kind in the event the use of the Interchange Tracks by the user is temporarily interrupted or delayed at any time from any cause.

SECTION 6. LIABILITY

As between the Parties hereto, liability for loss or destruction of, or damage to, any property whatsoever, and any injury to or death of any person or persons whomever (including employees of KCSR or MSLLC), resulting from, arising out of, incidental to or occurring in connection with operations conducted pursuant to this Agreement shall be apportioned between the Parties hereto pursuant to the terms and conditions of the Unified Liability Agreement.

SECTION 7. TERM

(a) Effective Date.

This Agreement shall become effective following the latest date of: (i) the date first written above; (ii) following receipt of any required regulatory approvals or exemptions; and (iii) following the expiration of any time periods required by the issuance of labor notices by KCSR, KCS and/or MSLLC, should such labor notices be required ("Effective Date"). The Parties will determine the Effective Date through an exchange of written correspondence.

(b) Initial Term.

This Agreement shall commence on the Effective Date, and shall continue until terminated by mutual agreement of the Parties.

(c) Termination.

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 such Party under the terms of this Agreement prior to termination hereof.

SECTION 8. ARBITRATION

Any dispute arising among the Parties with respect to an alleged breach of this Agreement shall be resolved pursuant to the arbitration provisions of the Unified Liability Agreement. As a Third Party Beneficiary, NSR may initiate and prosecute arbitration pursuant to this Section 8 on behalf of MSLLC. MSLLC shall cooperate with NSR in the preparation for, and the initiation and prosecution of, such arbitration, at NSR's expense.

SECTION 9. NOTICES

Any notice required or permitted to be given by one Party to another under this Interchange Agreement shall be sent to each of MSLLC, NSR and KCSR, and deemed given on the date sent by certified mail, or by such other means as the Parties may agree, and shall be addressed as follows:

If to MSLLC:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

With a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation

1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

With a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

If to NSR:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

Any of MSLLC, KCSR or NSR may provide changes in the above addresses to the others by personal service or certified mail.

SECTION 10. FORCE MAJEURE

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including flood, earthquake, hurricane, tornado, or other such severe weather or climatic condition, riot, accident, wreck, derailment, washout, explosion, Acts of God, act of terrorism and public enemy, war, blockage, insurrection, vandalism or sabotage, fire, strike, lockout or labor dispute, embargoes or AAR service orders, or governmental laws, orders or regulations, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the

other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

SECTION 11. CONFIDENTIALITY

(a) 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 Interchange Agreement, or as a result of an audit by the Internal Revenue Service or other taxing authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Interchange Agreement, during the term, the terms and provisions of this Interchange Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by any Party to any person other than such Party's respective, members, officers, employees, independent auditors, and attorneys without the prior written approval of the other Party.

(b) Notwithstanding the foregoing Section 11(i), the Parties acknowledge and agree that in any Surface Transportation Board ("STB") proceeding, the Parties may be required to submit this Agreement into the record. The Parties will propose to request a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with the highly confidential provisions redacted) may be entered into the public STB record and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

SECTION 12. SUCCESSORS AND ASSIGNS

(a) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns. Third party beneficiary status shall inure to the benefit of NSR and each of its successors and permitted assigns.

(b) Neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party.

SECTION 13. GENERAL

(a) This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party except NSR, which shall have standing to enforce the terms hereof. Other than the foregoing sentence, nothing herein contained shall be taken as creating or increasing any right of any third party to recover by way of damages or otherwise against any of the Parties hereto.

(b) This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(c) No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by all Parties and NSR.

(d) Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. As used in this Agreement, the word "including" means "without limitation", and the words "herein", "hereof" and "hereunder" refer to this Agreement as a whole. All dollar amounts stated herein are in United States currency.

(e) All words, terms and phrases used in this Agreement, and not otherwise defined, shall be construed in accordance with the generally applicable definition or meaning of such words, terms and phrases in the railroad industry.

(f) All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(g) This Agreement is the result of mutual negotiations between the Parties hereto, none of whom shall be considered the drafter for purposes of contract construction.

(h) If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

(i) Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking between or among MSLLC, KCSR and NSR.

(j) This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

(k) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

MERIDIAN SPEEDWAY LLC

Per: _____

THE KANSAS CITY SOUTHERN
RAILWAY COMPANY

Per: _____

Acknowledgement:

NORFOLK SOUTHERN
RAILWAY COMPANY

Per: _____

APPENDIX A

Map

General Guidelines - Asset Identification KCSR / NSR Joint Venture

KCS will contribute assets to the Joint Venture subject to the following restrictions:

The single main line track will be included, (Highlighted in “green” on the attached SLIC charts) extending between Meridian, MS., at Milepost 0.0, and Shreveport, LA., at Milepost V - 169.85, and including the right of way extending from the center point of the track to the prevailing right of way line for that location on either side of the track. (Right of way not included is highlighted in “blue” on the attached track charts)

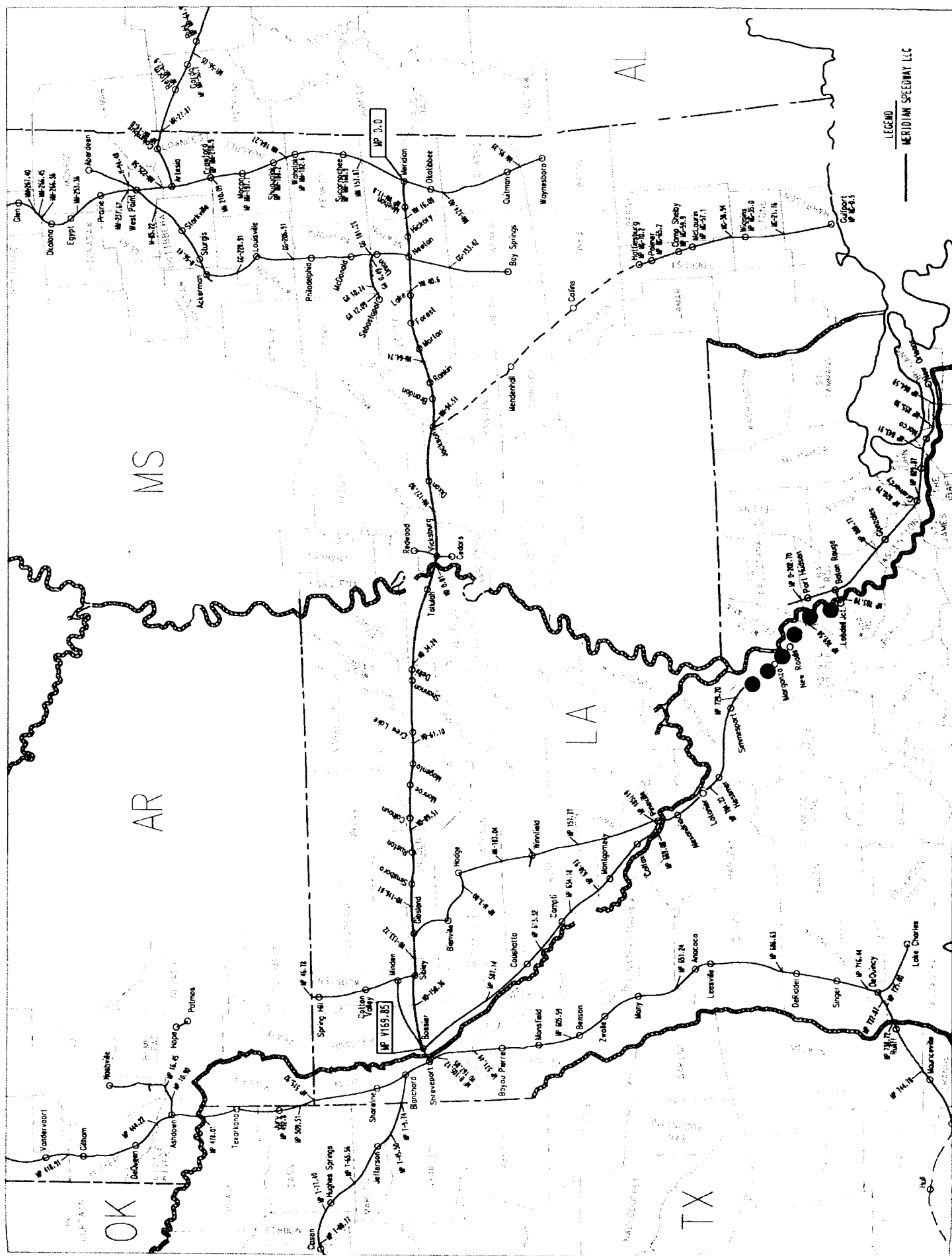
Sidings connected to and adjacent to the single main line track that are within the prevailing right of way line on either side of the track and whose primary use is to meet and pass trains will be included. Sidings can generally be identified on the Track Charts by the Control Point (CP) designation at each end of the siding. They may also be identified by their SLIC number, and are highlighted in “green” on the SLIC Charts.

All KCS owned tracks including but not limited to yard (see additional explanation below), branch line, industrial lead, intermodal or strip, interchange, mechanical, car repair or rip, and storage tracks; and all industry and privately owned tracks or leased branch lines that connect to the single main line are excluded. The Joint Venture will be responsible for maintaining to the clearance point any switches connecting such tracks to the single main line track. The attached SLIC charts and the MCS Track Identification Table below will be used to determine the status of each track along the route.

Where the single main line track runs through a yard only the single main line track will be included (Highlighted in “green” on the attached SLIC charts). Through yards the right of way line for the single main line track will be defined as the imaginary line running between the clearance points of switches connecting to the single main line track.

MCS Track Identification Table

1 – 199	Yard tracks
200 – 299	Intermodal / Strip tracks
300 – 399	Interchange tracks
400 – 499	Mechanical / Rip tracks
500 – 599	Main line / Main tracks
600 – 699	Sidings
700 – 799	Industry tracks
800 – 899	Storage tracks



ALL RIGHT OF WAY HIGHLIGHTED
IN BLUE IS EXCLUDED FROM
THE MSLLC

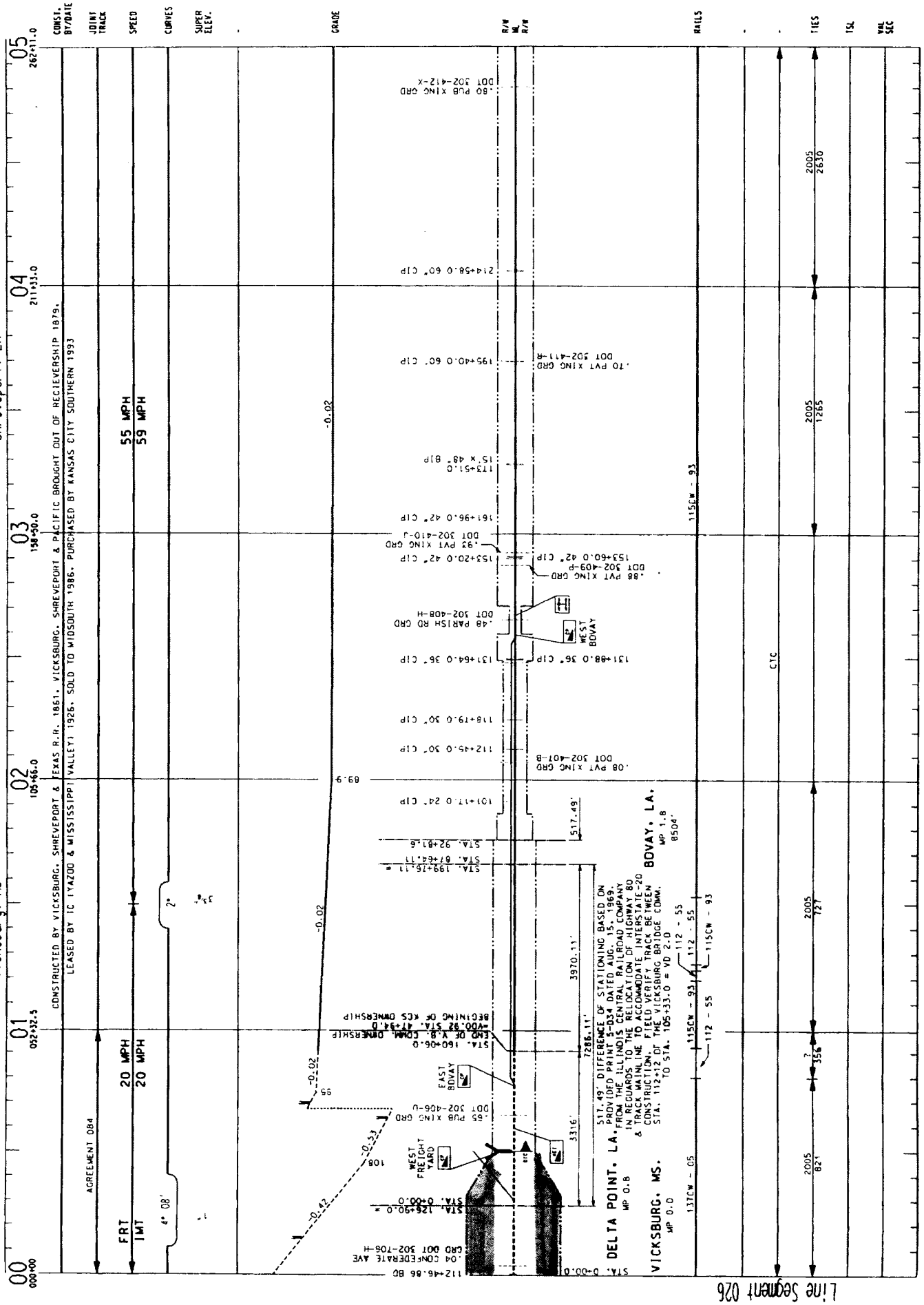
Vicksburg Subdivision

Vicksburg, MS (MP 0.0) to Shreveport, LA (MP 165.2)

Line Segment 026

← Vicksburg, MS

Shreveport, LA →

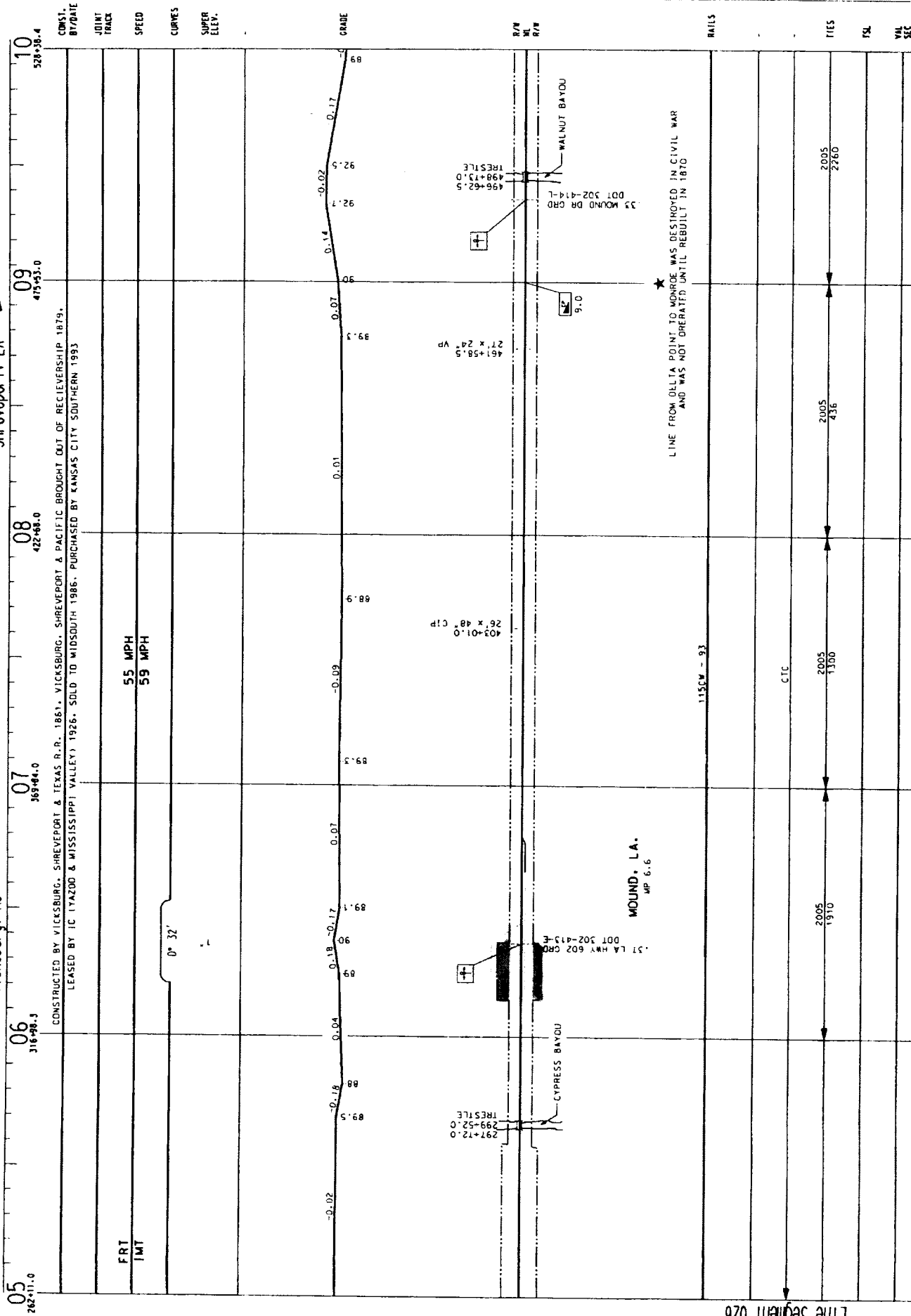


Vicksburg Subdivision
026-001

1100-600.00
Revised: 1-1-06

← Vicksburg, MS

Shreveport, LA →

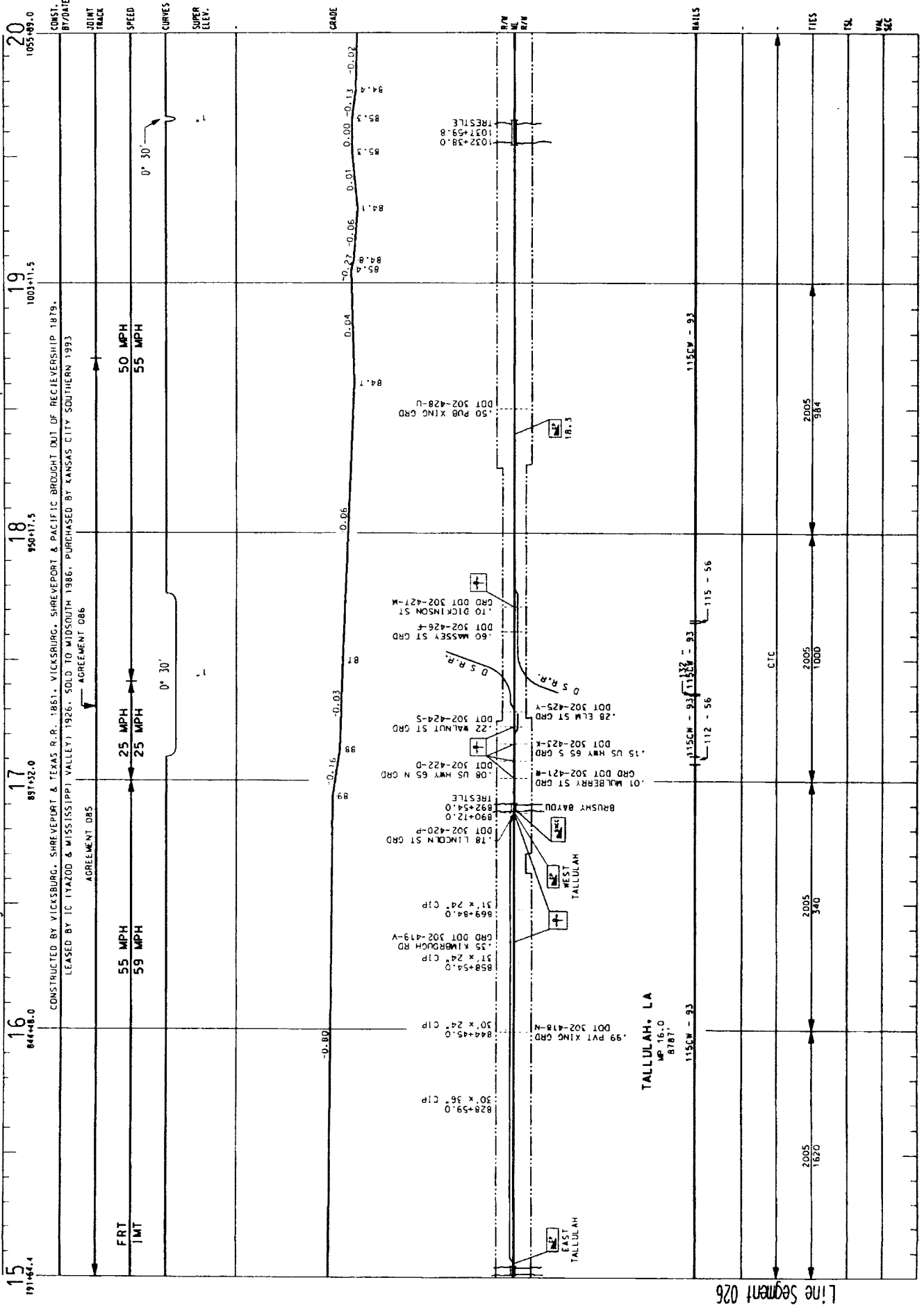


1100-601-000
Revised: 1-1-05

Vicksburg Subdivision
026-002

← Vicksburg, MS

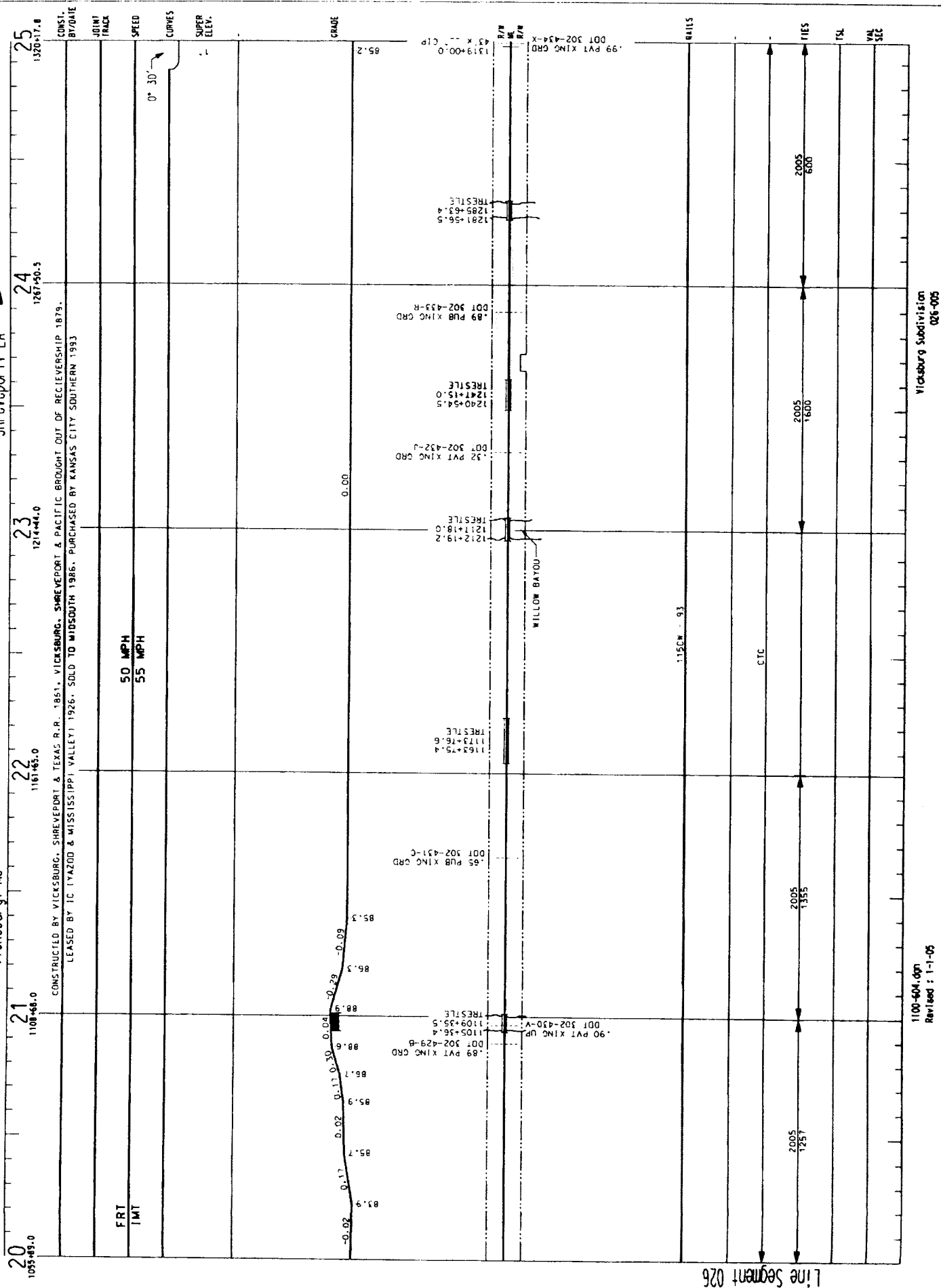
Shreveport, LA →



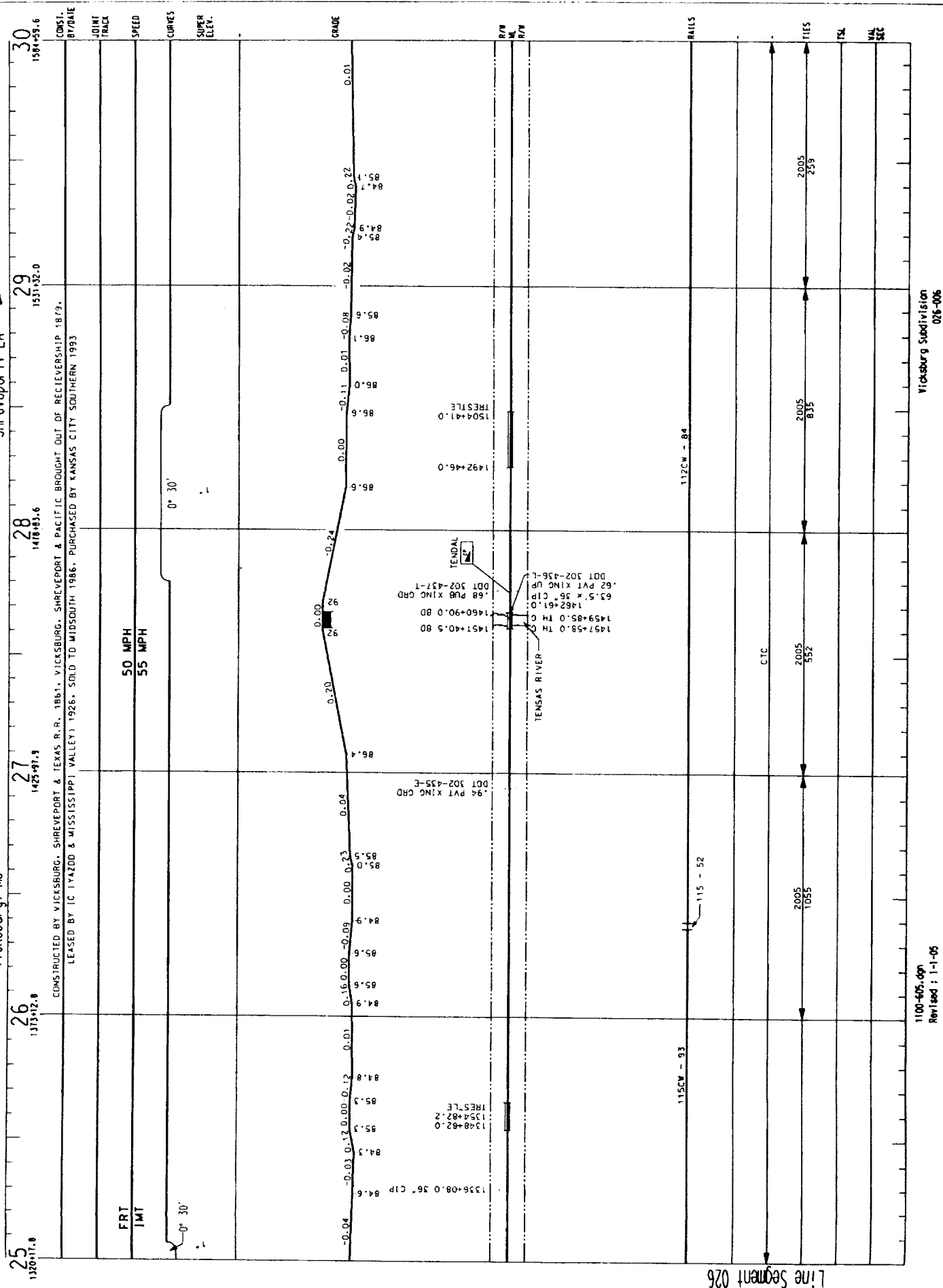
Vicksburg Subdivision
026-004

1100-403.dgn
Revised: 1-1-05

→ Vicksburg, MS

Shreveport, LA — 

—▲— Vicksburg, MS

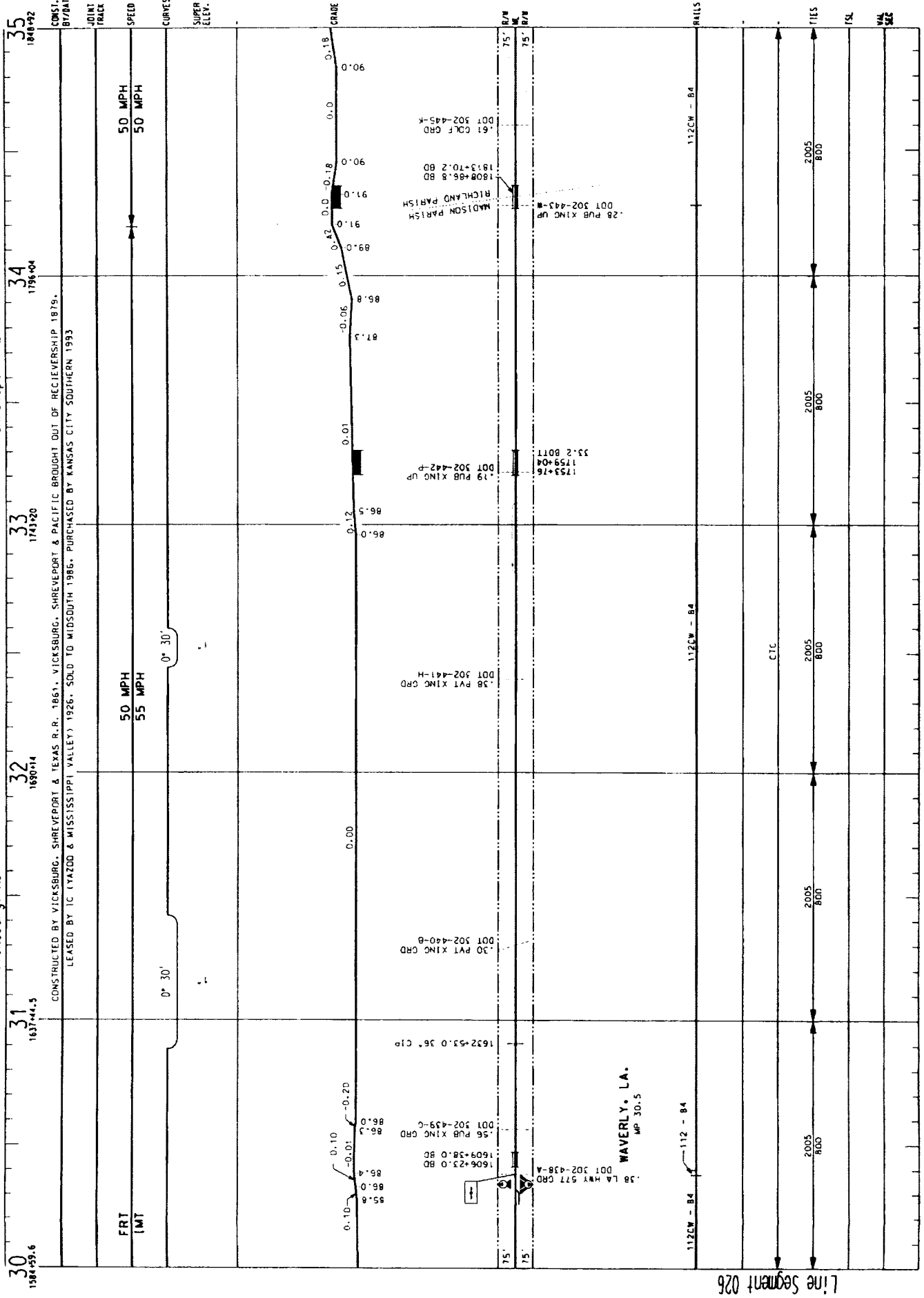
Shreveport, LA — 

1100-605.dgn
Revised: 1-1-05

Wicksburg Subdivision
026-006

← Vicksburg, MS

Shreveport, LA →

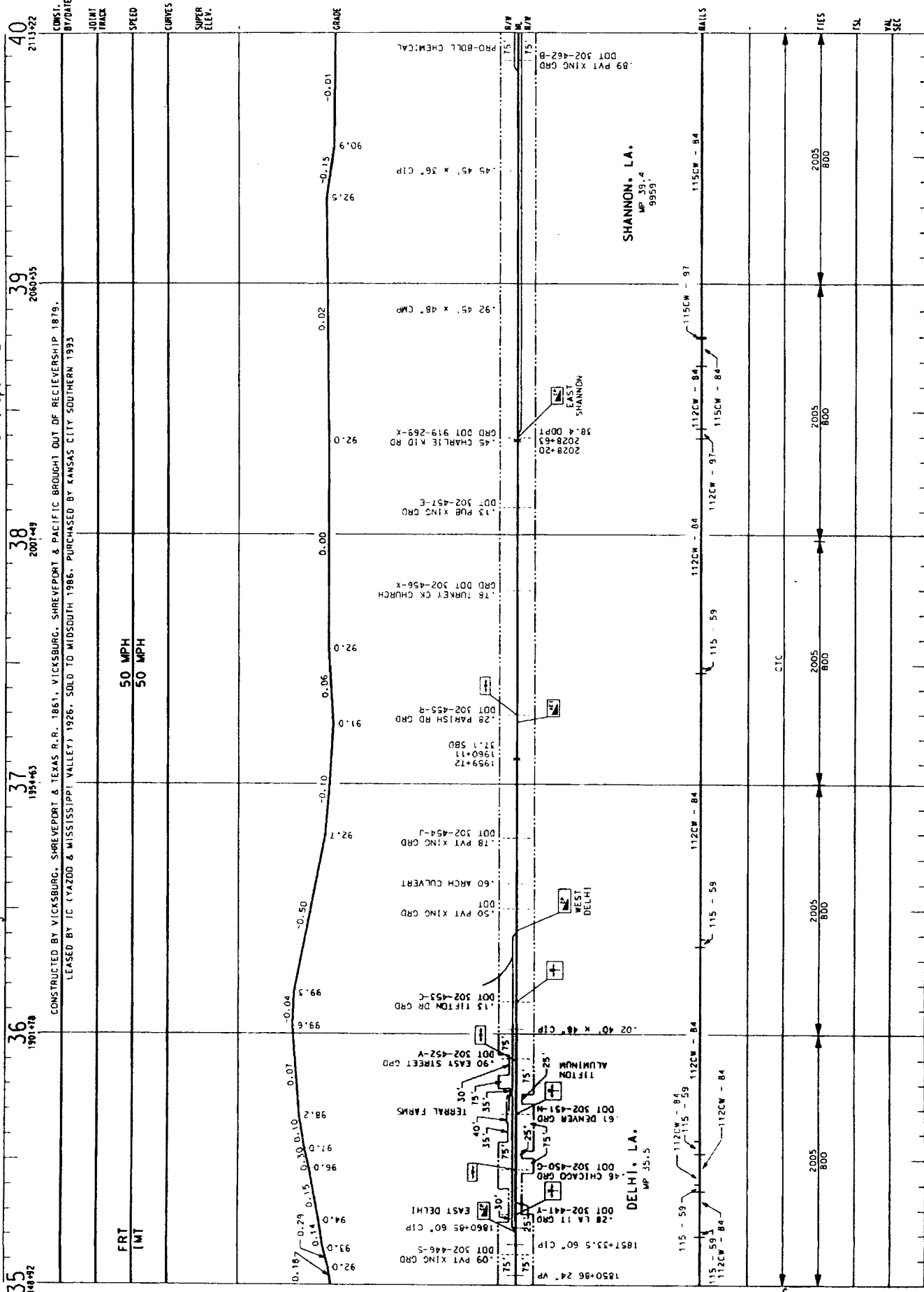


Line Segment 026

1100-606.dgn
Revised: 1-1-05

← Vicksburg, MS

Shreveport, LA →



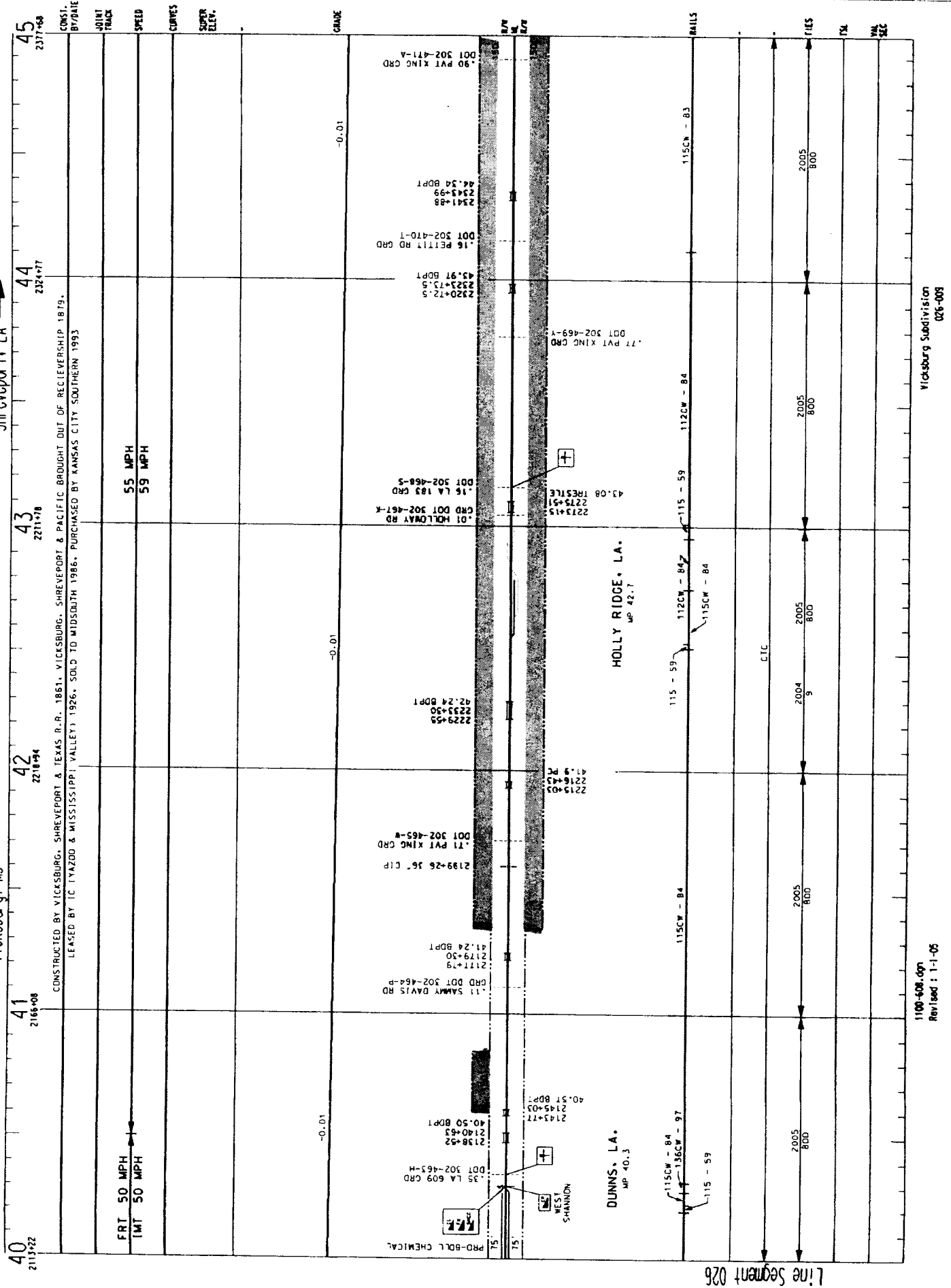
Line Segment 026

Vicksburg Subdivision
026-008

1100-407.dgn
Revised: 1-1-05

← Vicksburg, MS

Shreveport, LA →

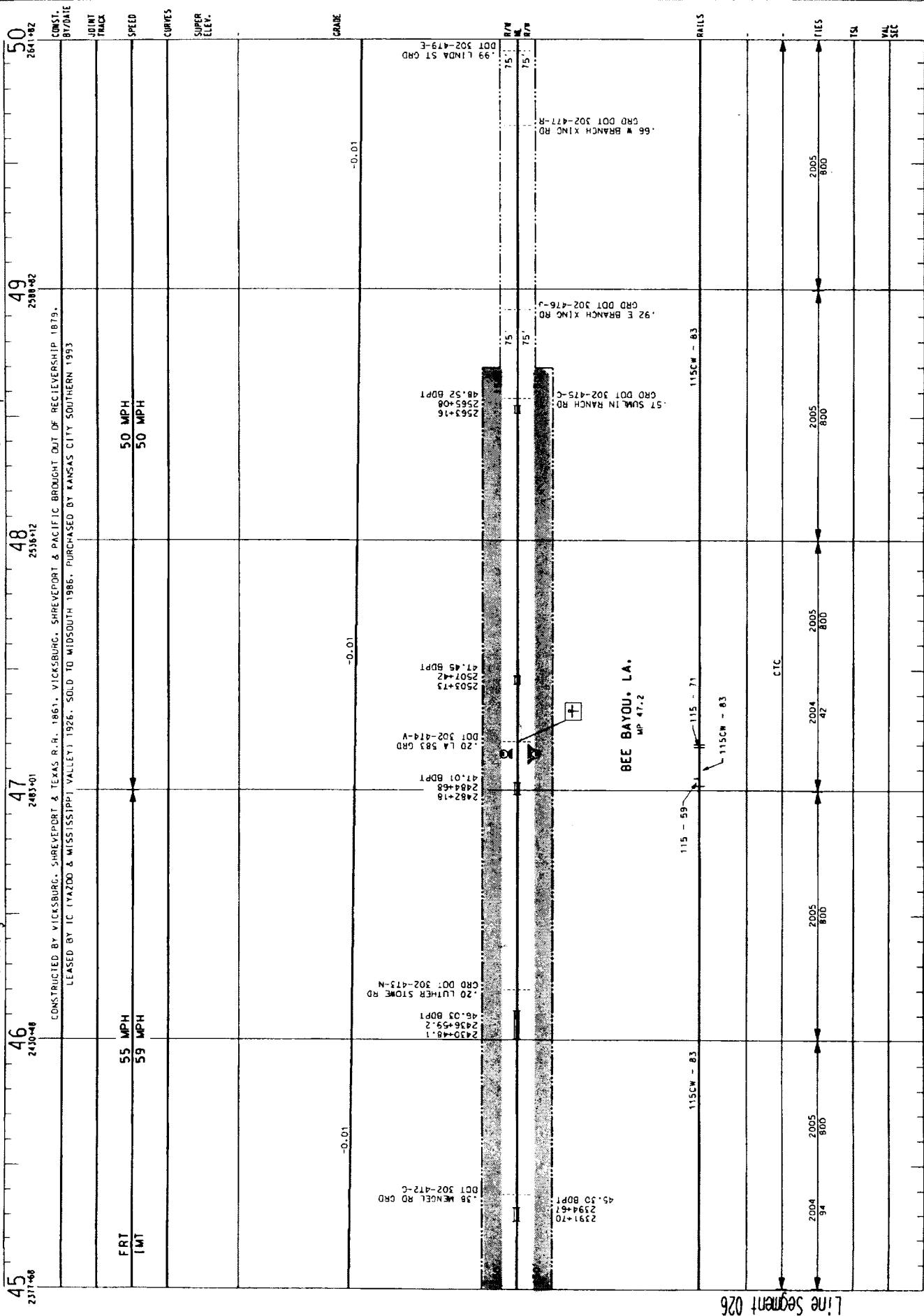


1100-506.dgn
Revised: 1-1-05

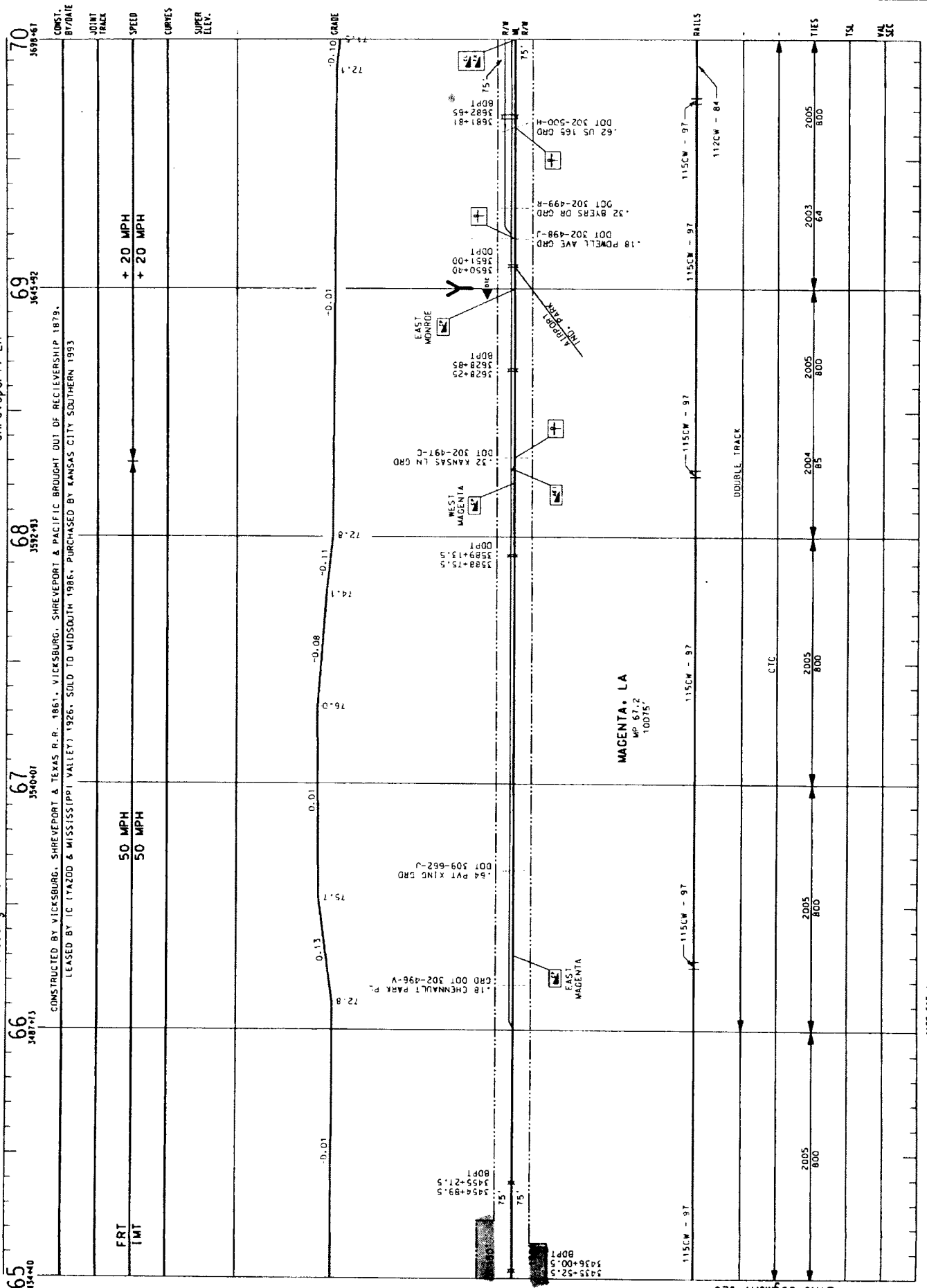
Vicksburg Subdivision
026-008

Vicksburg, MS

Shreveport, LA



← Vicksburg, MS Shreveport, LA →



1100-613.dgn
Revised: 8-31-05

Vicksburg Subdivision
026-014

Vicksburg, MS

CONSTRUCTED BY VICKSBURG, SHREVEPORT & PACIFIC R.R. 1861.
VICKSBURG-SHREVEPORT & PACIFIC R.R. 1861.
LEASED BY IC 174200 & MISSISSIPPI VALLEY, 1926.
SOLD TO WIDMOUTH 1986. PURCHASED BY KANSAS CITY SOUTHERN 1993

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Wicksburg Subdivision
026-015

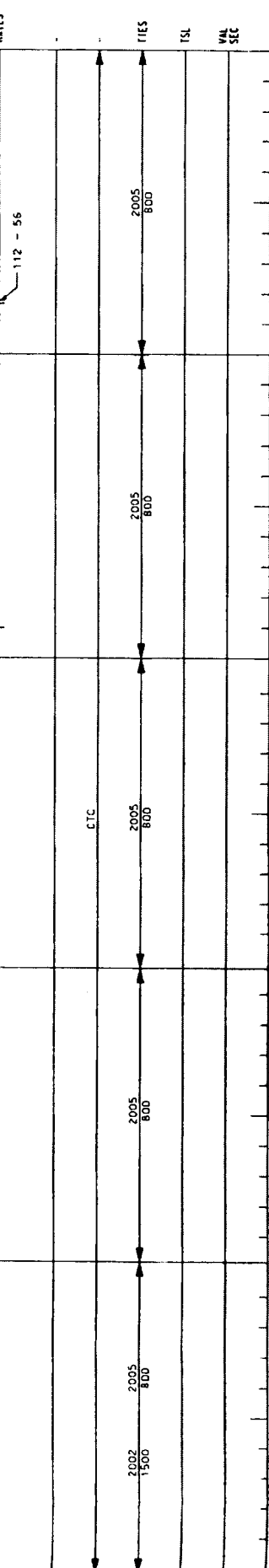
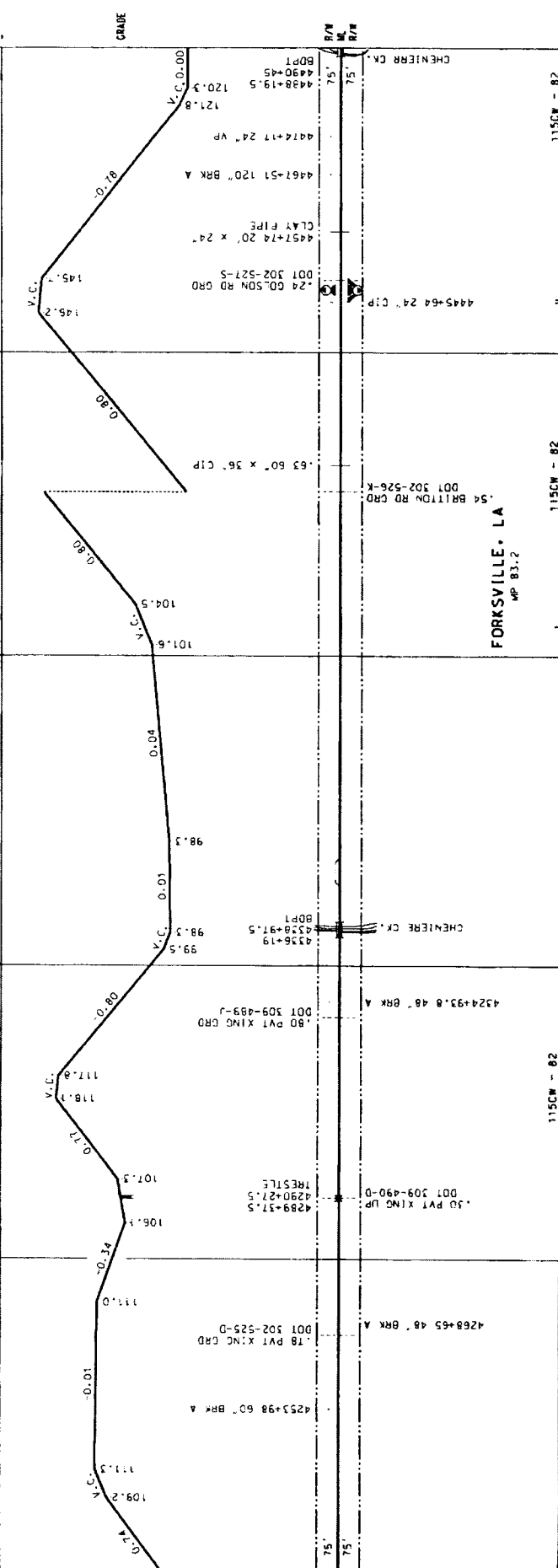
← Vicksburg, MS → Shreveport, LA →

80 4225+51 81 4278+43 82 4331+20 83 4383+97 84 4436+27 85 4489+70

CONSTRUCTED BY VICKSBURG, SHREVEPORT & PACIFIC R.R. 1861. VICKSBURG, SHREVEPORT & PACIFIC BROUGHT OUT OF RECEIVERSHIP 1879.
LEASED BY IC (YAZOO & MISSISSIPPI VALLEY) 1926. SOLD TO WIDSOUTH 1986. PURCHASED BY KANSAS CITY SOUTHERN 1993

JOINT TRACK
SPEED
CURVES
SUPER ELEV.

FRT
LMT
55 MPH
59 MPH



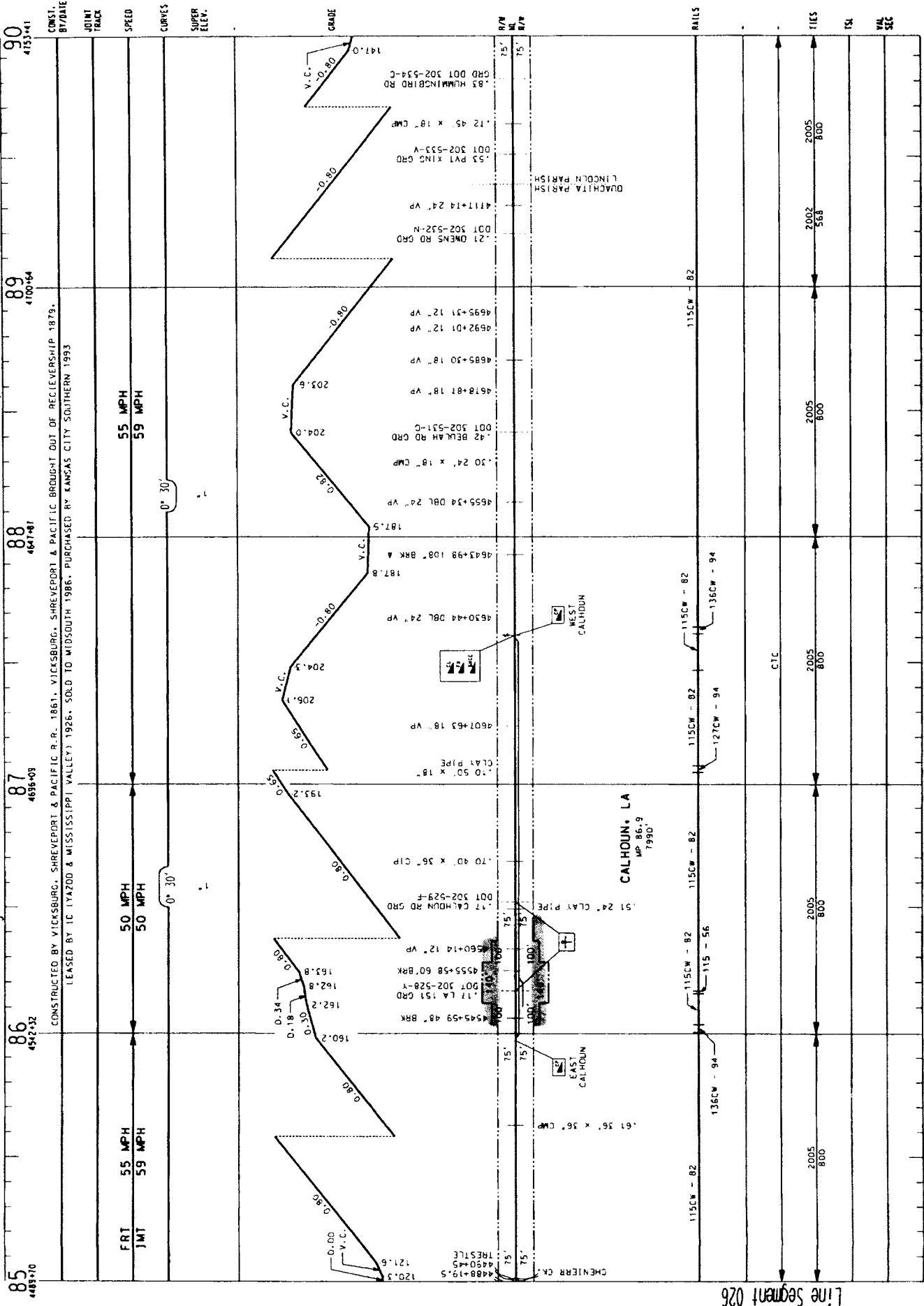
Vicksburg Subdivision
026-017

1100-616.dgn
Revised: 1-1-05

Line Segment 026

← Vicksburg, MS

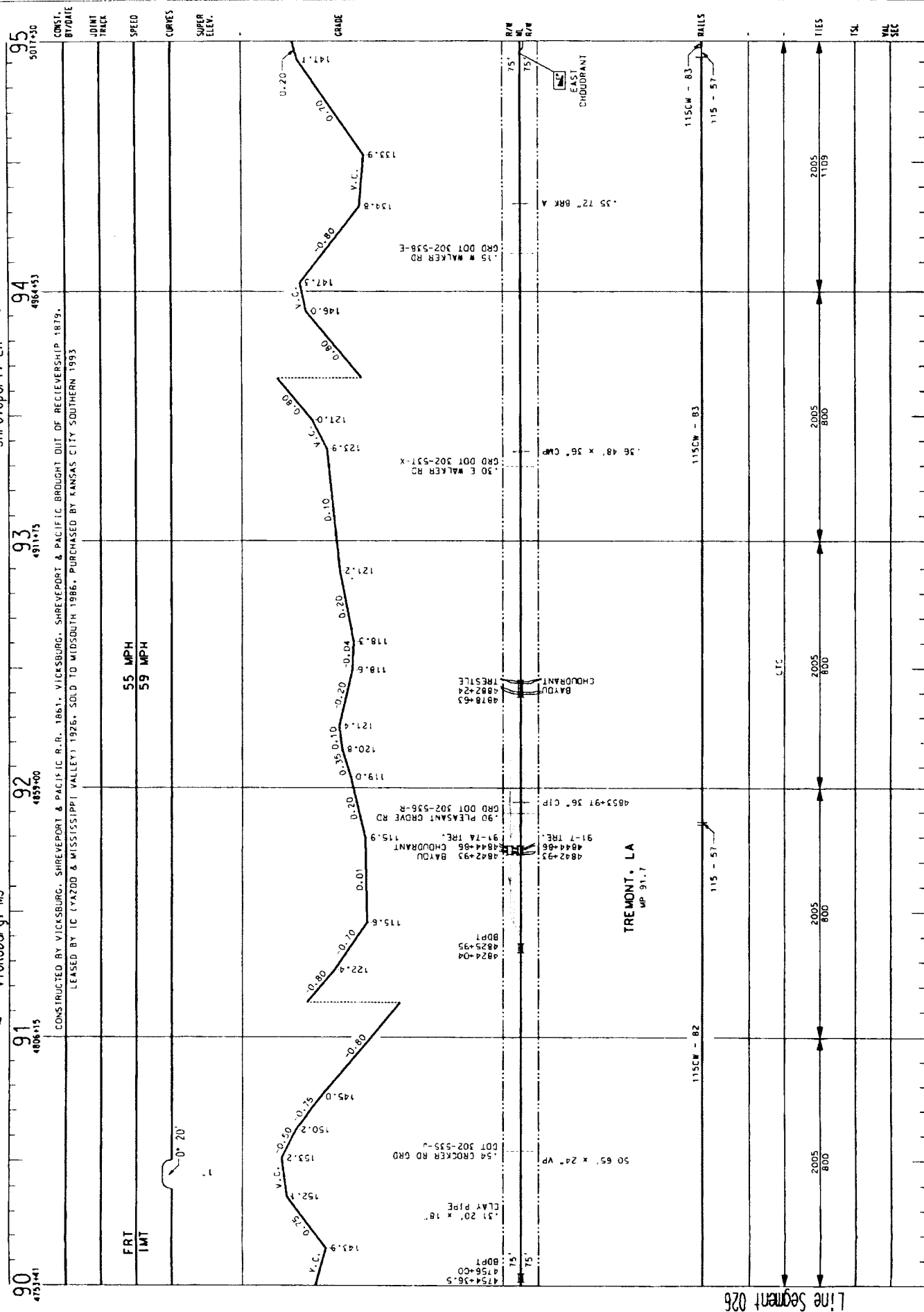
Shreveport, LA →



Vicksburg Subdivision

1100-417.dgn
Rev/Issd : 1-1-05

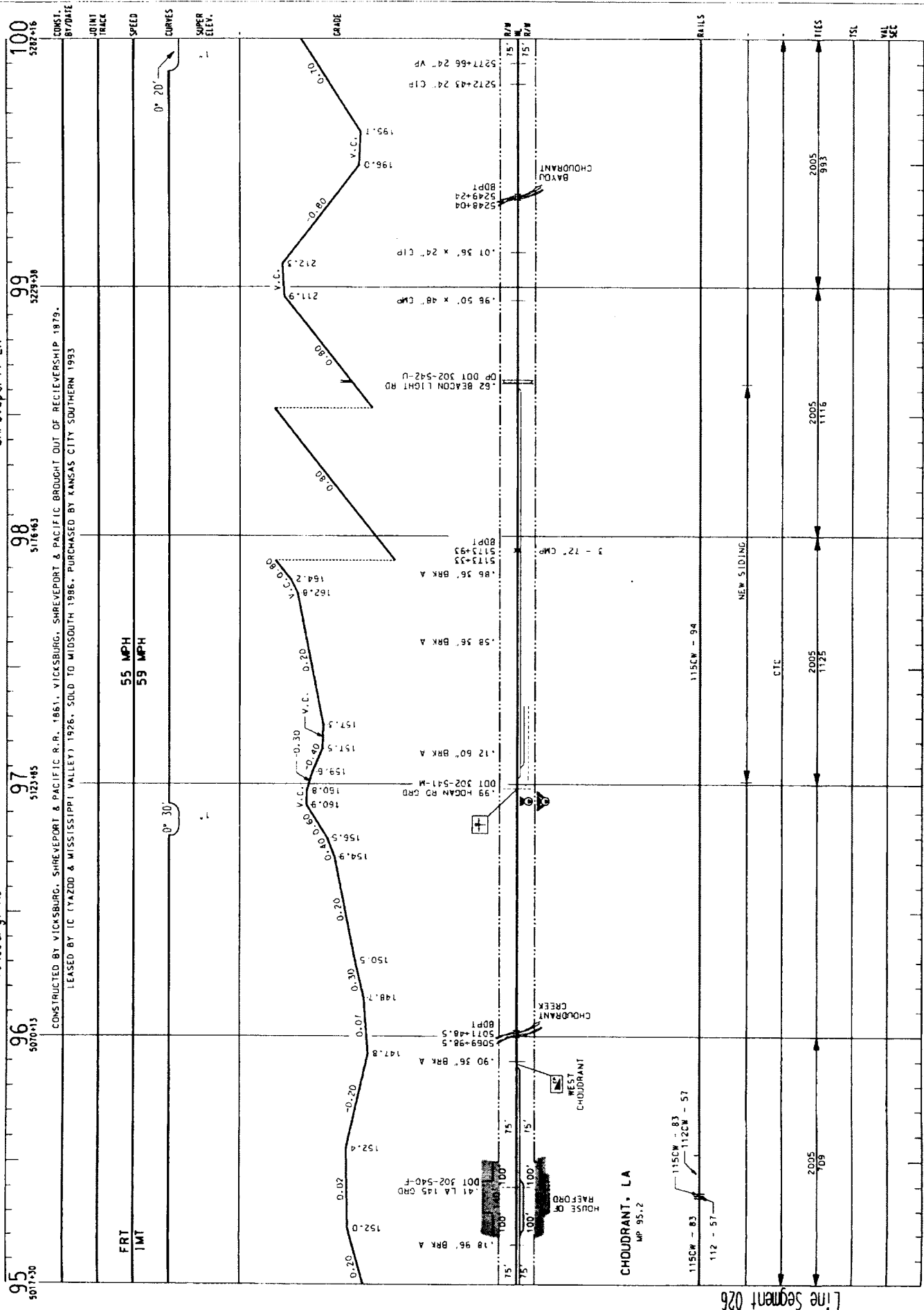
→ Vicksburg, MS

Shreveport, LA — 

1100-618.dgn
Revised: 1-1-05

Vicksburg Subdivision
026-019

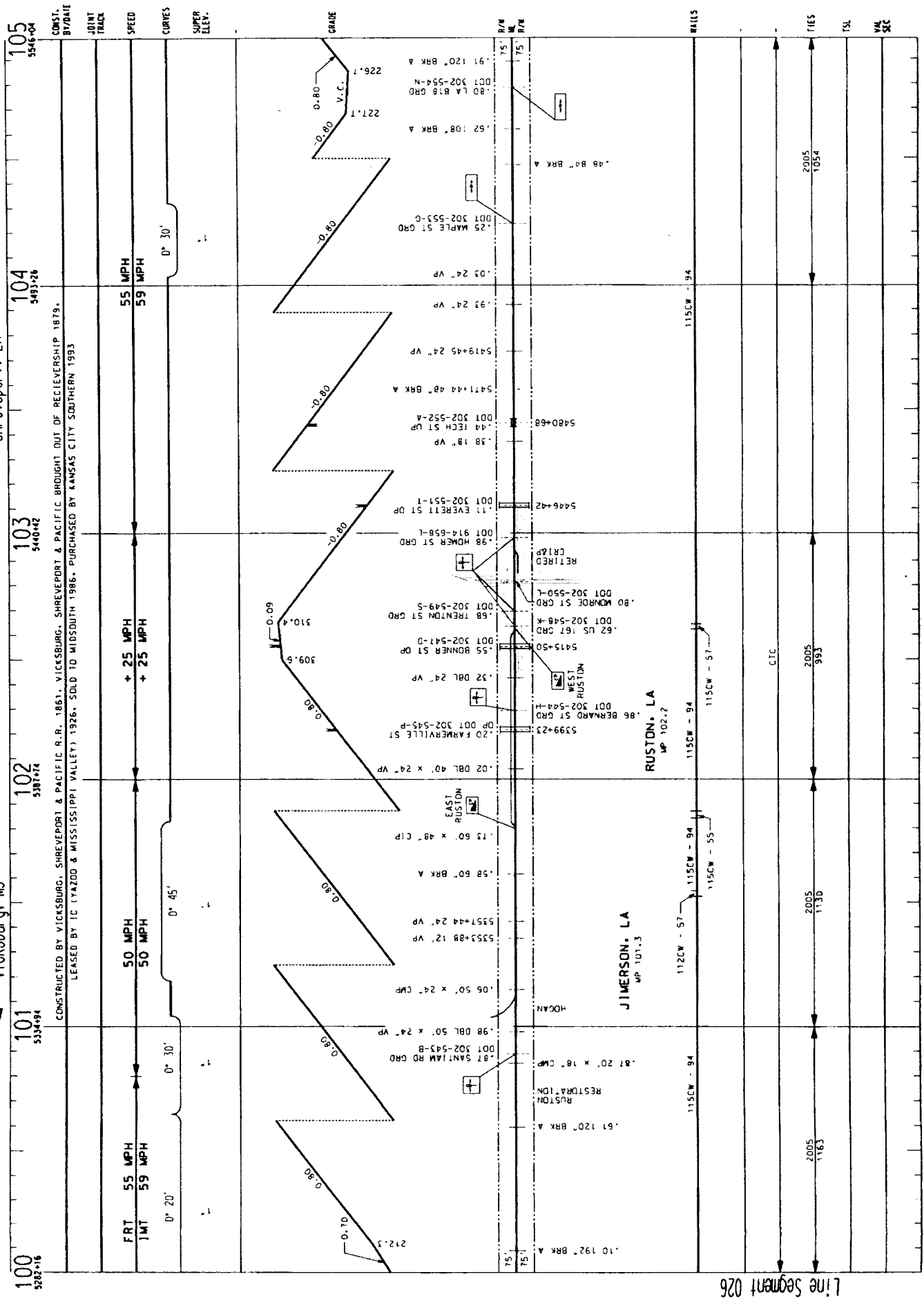
▼ Vicksburg, MS

Shreveport, LA — 

1100-619.dgn
Revised: 1-1-05

Vicksburg Subdivision
026-020

▼ Vicksburg, MS



1100-620.dgn
Revised: 1-1-05

Vicksburg Subdivision
026-021

Line Segment 026

SHREVEPORT & PACIFIC R.R. 1861, VICKSBURG, SHREVEPORT & PACIFIC BUILT OUT OF RECEIVERSHIP 1879, 1986

CONSTRUCTED BY VICKSBURG, SHREVEPORT & PACIFIC R.R. 1861, VICKSBURG, SHREVEPORT & PACIFIC BUILT OUT OF RECEIVERSHIP 1879, 1986. PURCHASED BY KANSAS CITY SOUTHERN 1993

LEASED BY IC (YAZOO & MISSISSIPPI VALLEY) 1926, SOLD TO MID-SOUTH 1986, PURCHASED BY KANSAS CITY SOUTHERN 1993

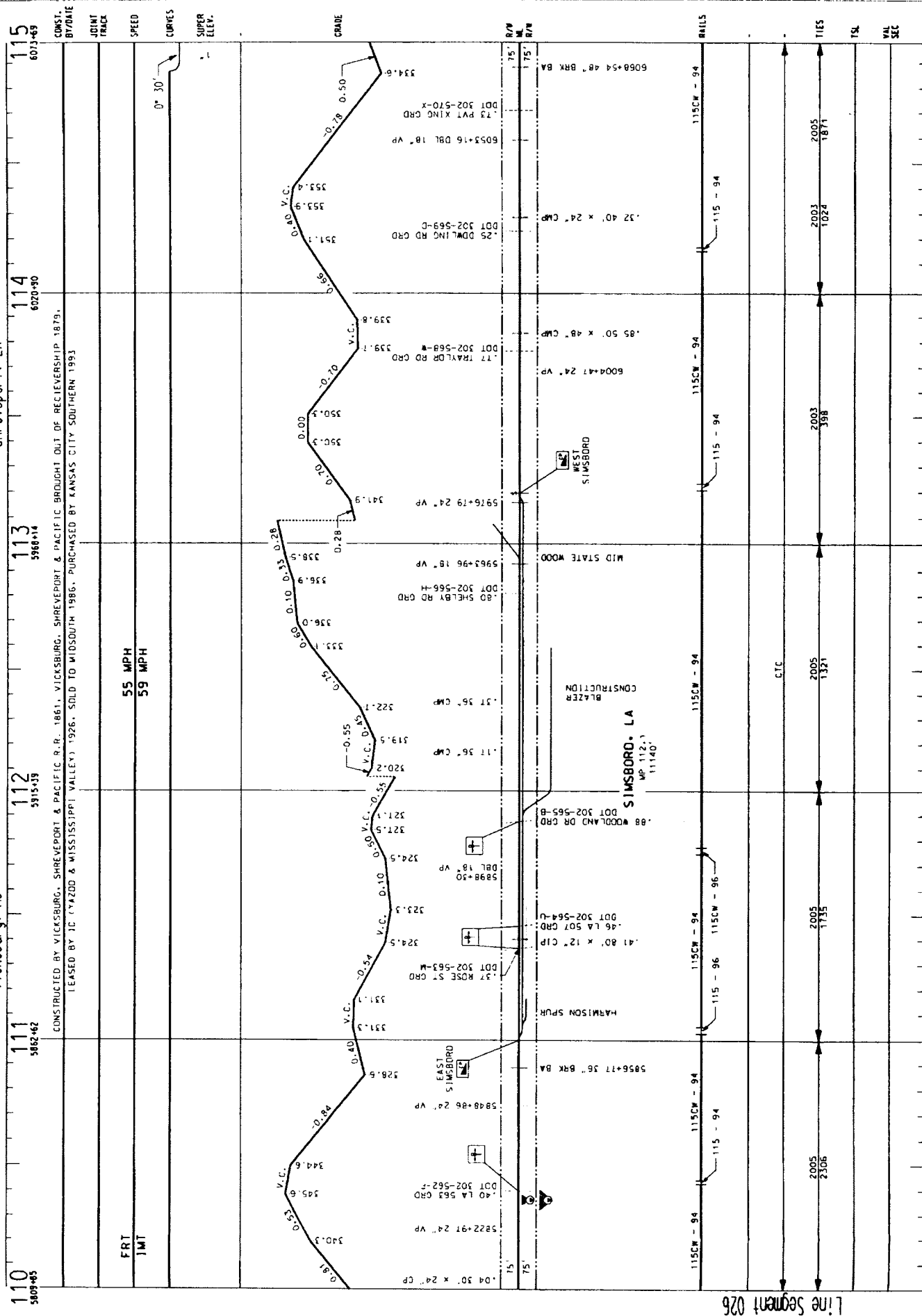
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59 MPH

0.30'

Line Segment 026

Wicksburg Subdivision
076-0720

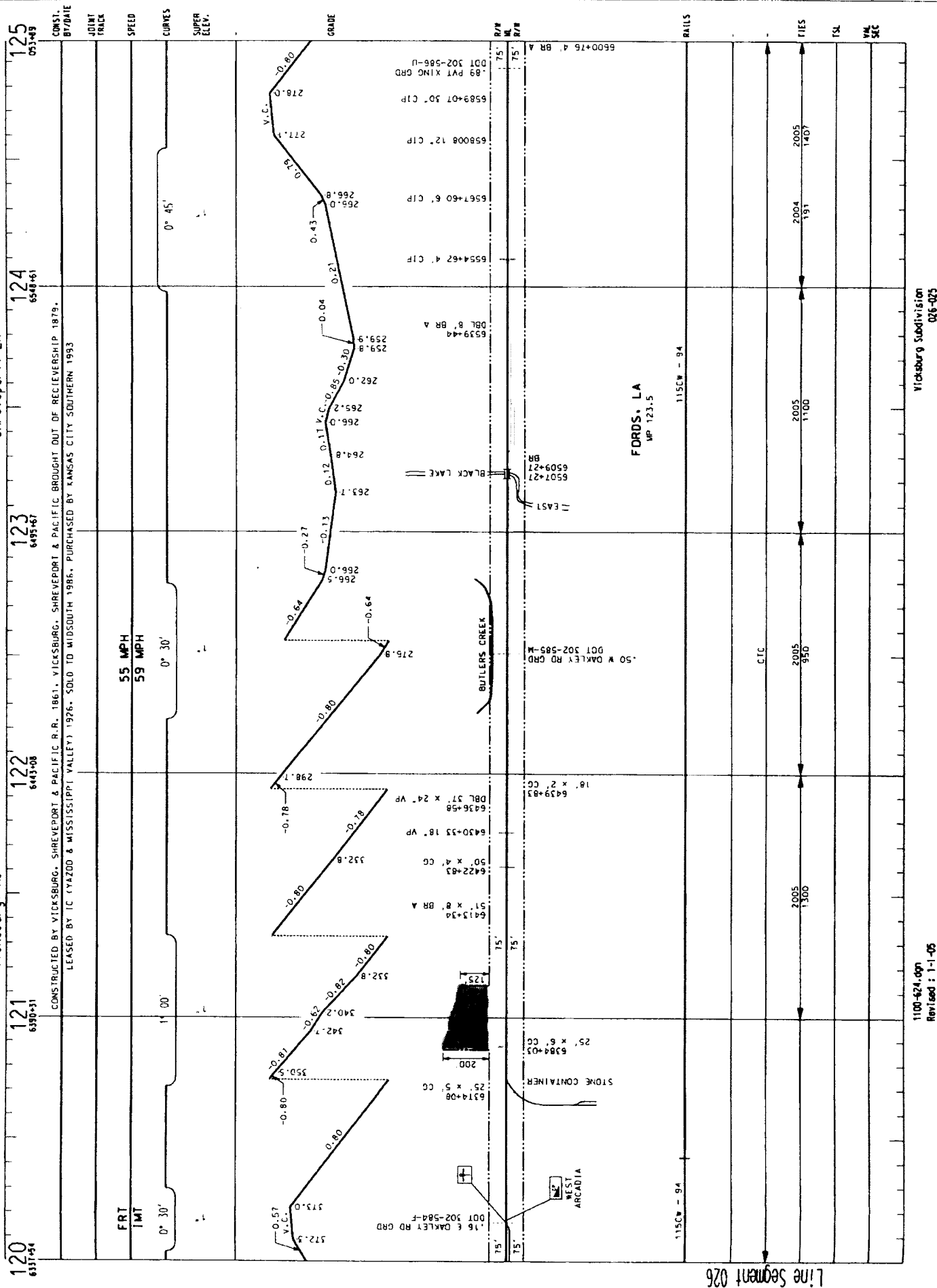
Vicksburg, MS

Shreveport, LA — 

1100-622.dgn
Revised: 1-1-05

Vicksburg Subdivision
026-023

→ Vicksburg, MS

Shreveport, LA — 

Shreveport, LA —

CONSTRUCTED BY VICKSBURG, SHREVEPORT & PACIFIC R.R. 1861. VICKSBURG, SHREVEPORT & PACIFIC BROUGHT OUT OF RECEIVERSHIP 1879.	CONST/
LEASED BY IC (YAZOO & MISSISSIPPI VALLEY) 1926. SOLD TO WIDSOOUTH 1986. PURCHASED BY KANSAS CITY SOUTHERN 1993	87/0A

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[illegible][illegible]

1100-425.dgn
Revised : 1-1-05
Vicksburg Subdivision
076-026

Wicksburg Subdivision
026-026

1100-625.dgn
Revised : 1-1-05

Line Segment 026

[illegible]Vicksburg Subdivision
026-028

[illegible]Hicksburg Subdivision
026-029

Shreveport, LA —▲

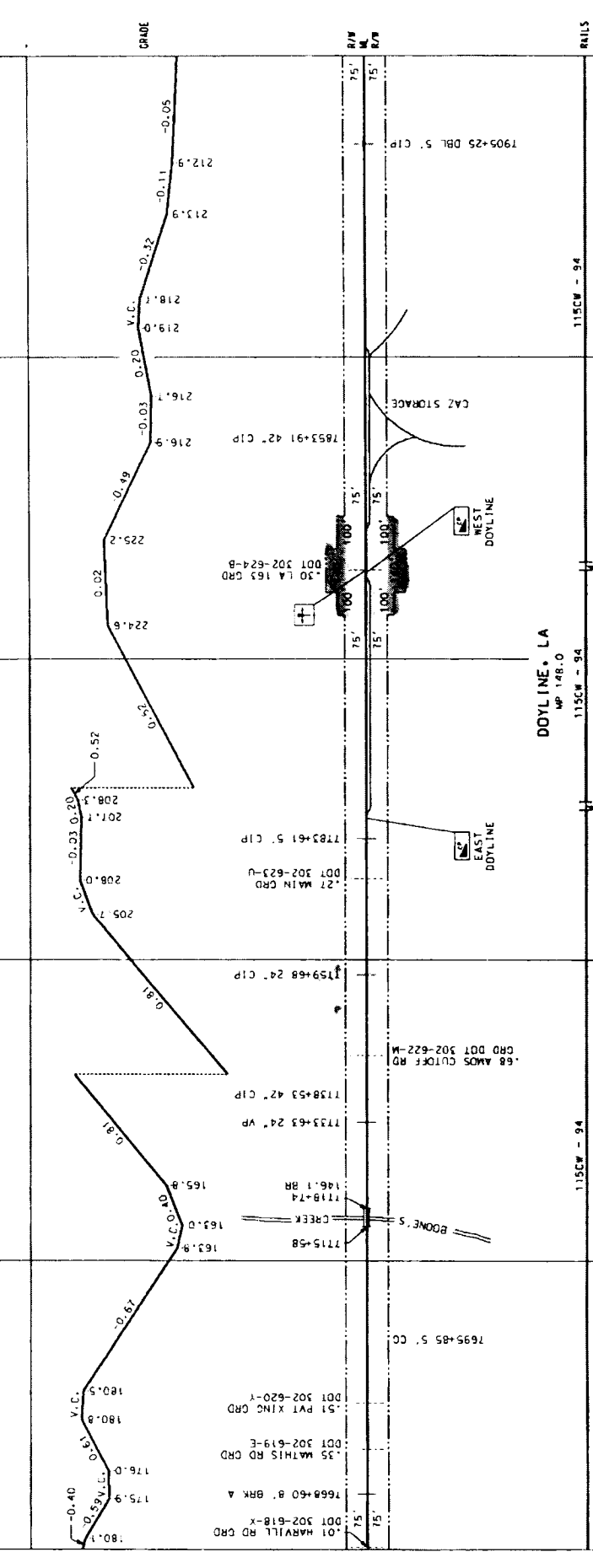
145	146	147	148	149	150
1658-400	1709-458	1762-536	2815-513	7861-687	1320-62

	CONST. BY/DATE
CONSTRUCTED BY VICKSBURG, SHREVEPORT & PACIFIC R.R. 1861, VICKSBURG, SHREVEPORT & PACIFIC BROUGHT OUT OF RECEIVERSHIP 1879.	
LEASED BY IC (YAZOO & MISSISSIPPI VALLEY) 1926, SOLD TO WOODSOUTH 1966, PURCHASED BY KANSAS CITY SOUTHERN 1993	

[illegible]

					SPEED
FRT					55 MPH
INT					59 MPH

0° 30' CURVES

[illegible]

115 - 94

[illegible]

Timeline of events from 1992 to 2011:

- 1992: Start
- 1993: 502
- 1995: 800
- 1997: 634
- 1999: 800
- 2001: 10
- 2003: 800
- 2005: 800
- 2007: 425
- 2009: 800
- 2011: End

№				

25	MA			
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1100-629.dgn

Wicksburg Subdivision

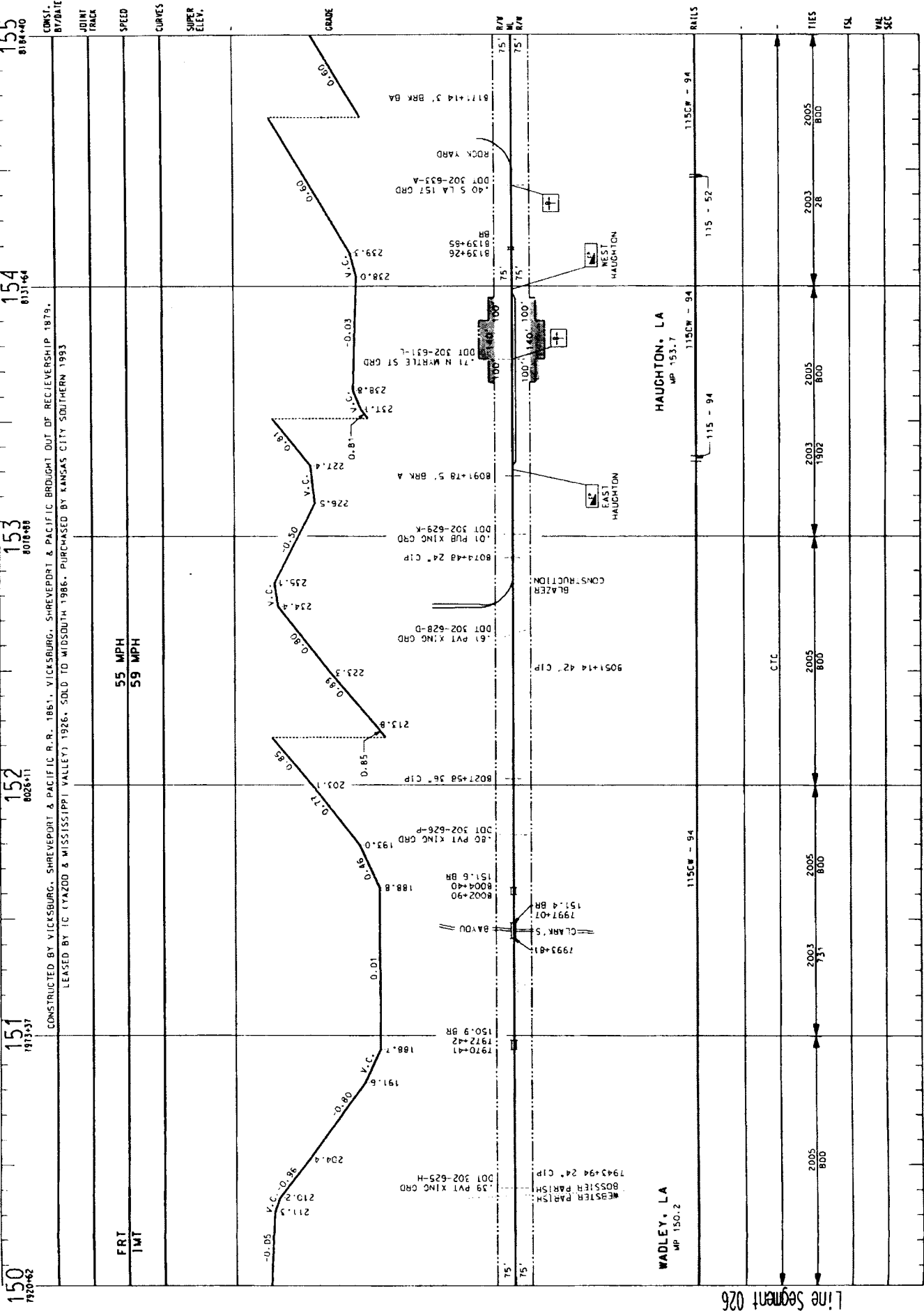
1100-629.dgn
Revised: 1-1-05

Wicksburg Subdivision
026-030

Line Segment 026

← Vicksburg, MS

Shreveport, LA →

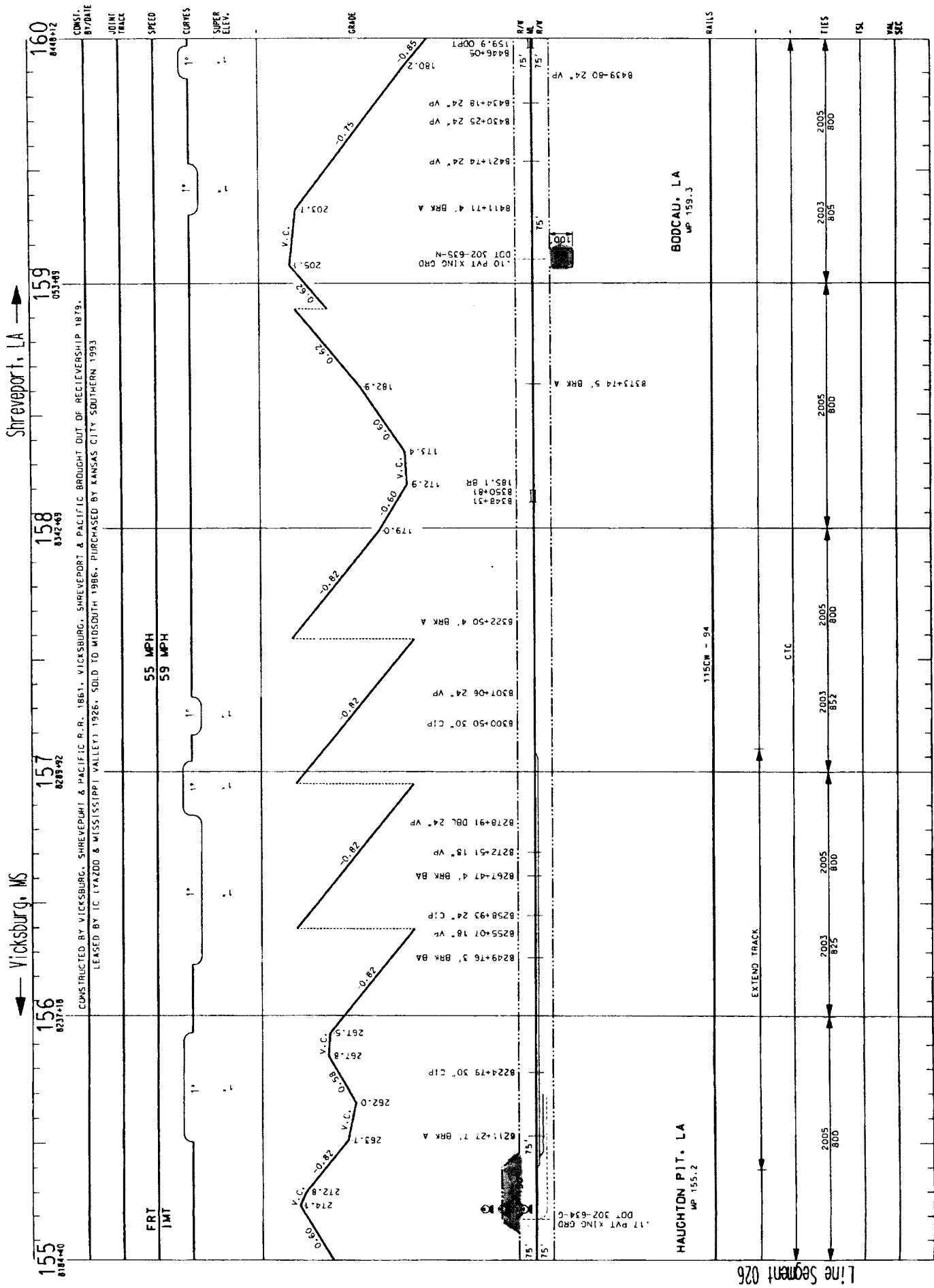


Line Segment 026

Vicksburg Subdivision
026-031

1100-430.dgn
Revised: 1-1-05

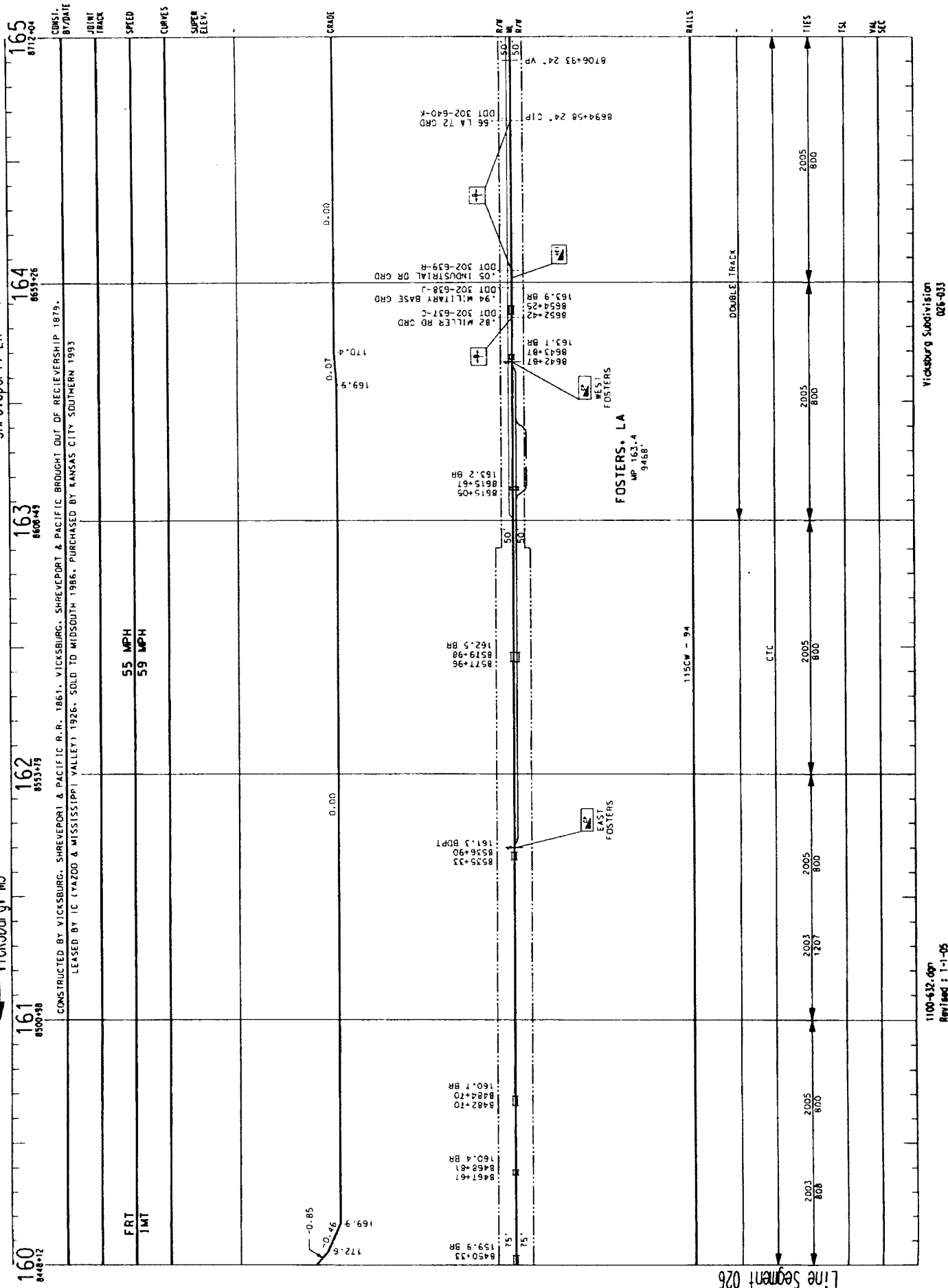
Line Segment 026



1100-631.dgn
Revised: 1-1-05

Vicksburg Subdivision
026-032

▼ — Vicksburg, MS

Shreveport, LA — 

Meridian Subdivision

Meridian, MS (MP 0.0) to Vicksburg, MS (MP 140.6)

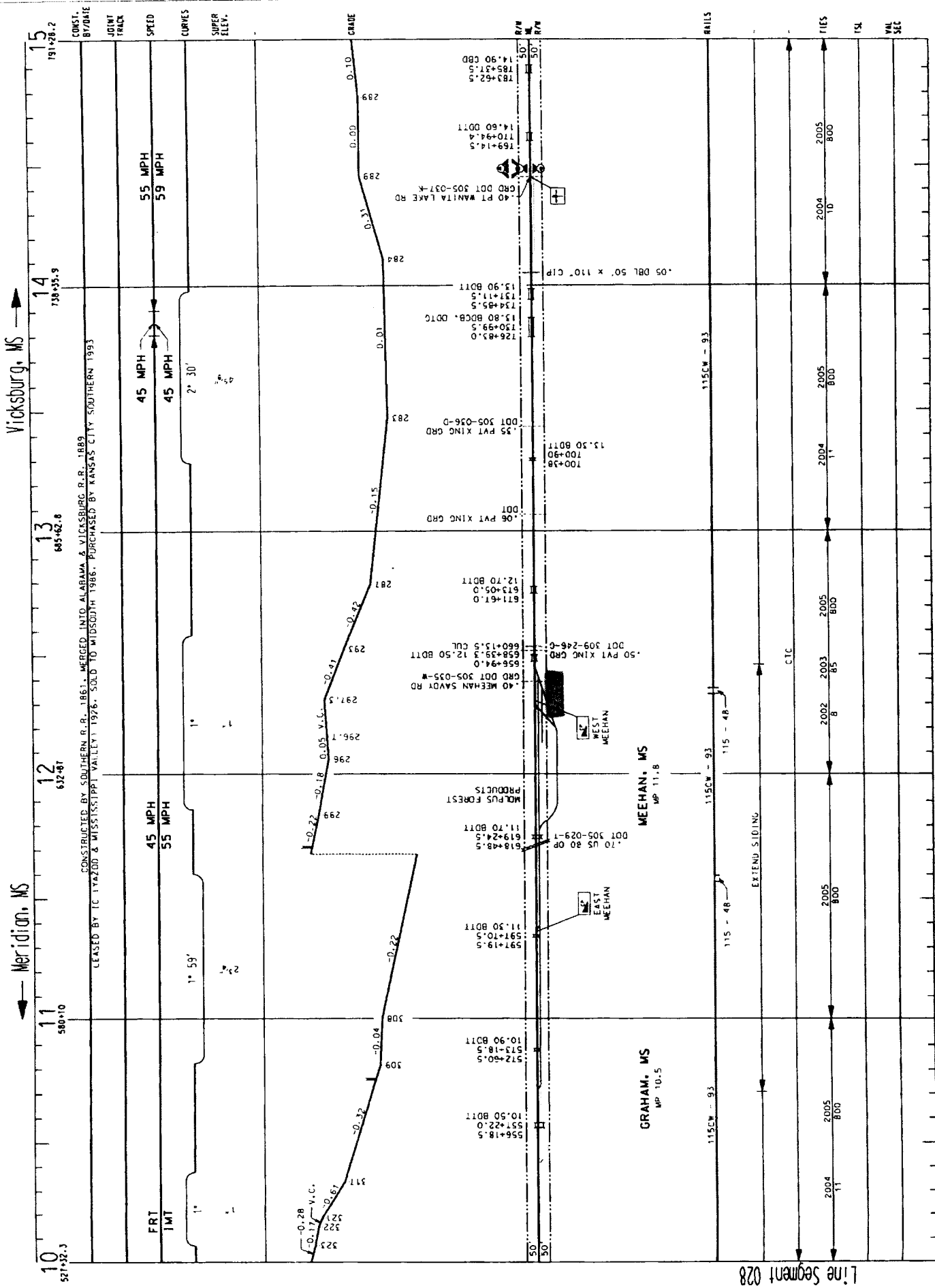
Line Segment 028

1100-644.dgn

Meridian Subdivision
028

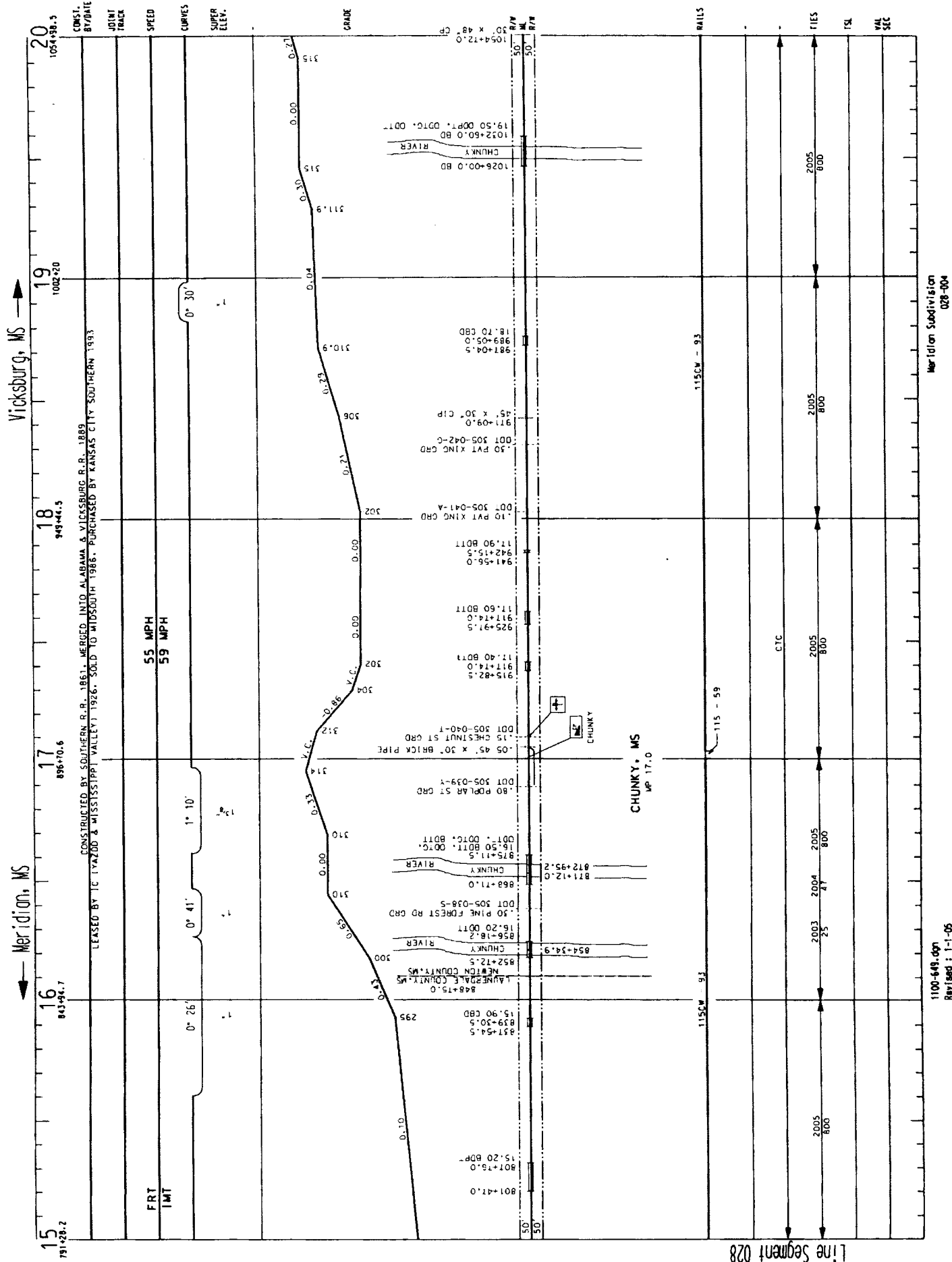
This engineering plan view illustrates a road project in Vicksburg, MS, spanning stationing from 05 to 10. The plan includes the following details:

- Project Location:** Vicksburg, MS.
- Stationing:** The plan is divided into segments by station markers at 05, 06, 07, 08, 09, and 10. Station 05 is at the left edge, and station 10 is at the right edge.
- Curves:** Several curves are defined with their respective data:
 - Curve 1: 3° 30' (Station 05+00 to 05+30)
 - Curve 2: 2° 46' (Station 05+30 to 05+60)
 - Curve 3: 2° 53' (Station 05+60 to 05+90)
 - Curve 4: 3° (Station 05+90 to 06+00)
 - Curve 5: 3° 30' (Station 06+00 to 06+30)
 - Curve 6: 2° 46' (Station 06+30 to 06+60)
 - Curve 7: 2° 53' (Station 06+60 to 06+90)
 - Curve 8: 3° (Station 06+90 to 07+00)
 - Curve 9: 3° 30' (Station 07+00 to 07+30)
 - Curve 10: 2° 46' (Station 07+30 to 07+60)
 - Curve 11: 2° 53' (Station 07+60 to 07+90)
 - Curve 12: 3° (Station 07+90 to 08+00)
 - Curve 13: 3° 30' (Station 08+00 to 08+30)
 - Curve 14: 2° 46' (Station 08+30 to 08+60)
 - Curve 15: 2° 53' (Station 08+60 to 08+90)
 - Curve 16: 3° (Station 08+90 to 09+00)
 - Curve 17: 3° 30' (Station 09+00 to 09+30)
 - Curve 18: 2° 46' (Station 09+30 to 09+60)
 - Curve 19: 2° 53' (Station 09+60 to 09+90)
 - Curve 20: 3° (Station 09+90 to 10+00)
- Grades:** The plan shows various grades along the road, including 0.75, 0.79, 0.84, 0.88, 0.92, 0.96, 1.00, 1.04, 1.08, 1.12, 1.16, 1.20, 1.24, 1.28, 1.32, 1.36, 1.40, 1.44, 1.48, 1.52, 1.56, 1.60, 1.64, 1.68, 1.72, 1.76, 1.80, 1.84, 1.88, 1.92, 1.96, 2.00, 2.04, 2.08, 2.12, 2.16, 2.20, 2.24, 2.28, 2.32, 2.36, 2.40, 2.44, 2.48, 2.52, 2.56, 2.60, 2.64, 2.68, 2.72, 2.76, 2.80, 2.84, 2.88, 2.92, 2.96, 3.00, 3.04, 3.08, 3.12, 3.16, 3.20, 3.24, 3.28, 3.32, 3.36, 3.40, 3.44, 3.48, 3.52, 3.56, 3.60, 3.64, 3.68, 3.72, 3.76, 3.80, 3.84, 3.88, 3.92, 3.96, 4.00, 4.04, 4.08, 4.12, 4.16, 4.20, 4.24, 4.28, 4.32, 4.36, 4.40, 4.44, 4.48, 4.52, 4.56, 4.60, 4.64, 4.68, 4.72, 4.76, 4.80, 4.84, 4.88, 4.92, 4.96, 5.00, 5.04, 5.08, 5.12, 5.16, 5.20, 5.24, 5.28, 5.32, 5.36, 5.40, 5.44, 5.48, 5.52, 5.56, 5.60, 5.64, 5.68, 5.72, 5.76, 5.80, 5.84, 5.88, 5.92, 5.96, 6.00, 6.04, 6.08, 6.12, 6.16, 6.20, 6.24, 6.28, 6.32, 6.36, 6.40, 6.44, 6.48, 6.52, 6.56, 6.60, 6.64, 6.68, 6.72, 6.76, 6.80, 6.84, 6.88, 6.92, 6.96, 7.00, 7.04, 7.08, 7.12, 7.16, 7.20, 7.24, 7.28, 7.32, 7.36, 7.40, 7.44, 7.48, 7.52, 7.56, 7.60, 7.64, 7.68, 7.72, 7.76, 7.80, 7.84, 7.88, 7.92, 7.96, 8.00, 8.04, 8.08, 8.12, 8.16, 8.20, 8.24, 8.28, 8.32, 8.36, 8.40, 8.44, 8.48, 8.52, 8.56, 8.60, 8.64, 8.68, 8.72, 8.76, 8.80, 8.84, 8.88, 8.92, 8.96, 9.00, 9.04, 9.08, 9.12, 9.16, 9.20, 9.24, 9.28, 9.32, 9.36, 9.40, 9.44, 9.48, 9.52, 9.56, 9.60, 9.64, 9.68, 9.72, 9.76, 9.80, 9.84, 9.88, 9.92, 9.96, 10.00.
- Right-of-Way (FRT/TMT):** The plan shows the FRT (Front Right-of-Way) and TMT (Total Maximum Travel) lines, which are 45 MPH and 55 MPH wide.
- Other Features:**
 - Property lines and easements are shown, including a 10' easement and a 10' easement.
 - Utility lines are indicated, such as a 10' easement and a 10' easement.
 - Other features include a 10' easement and a 10' easement.



Meridian Subdivision 028-003

1100-648.dgn
Revised: 1-1-05



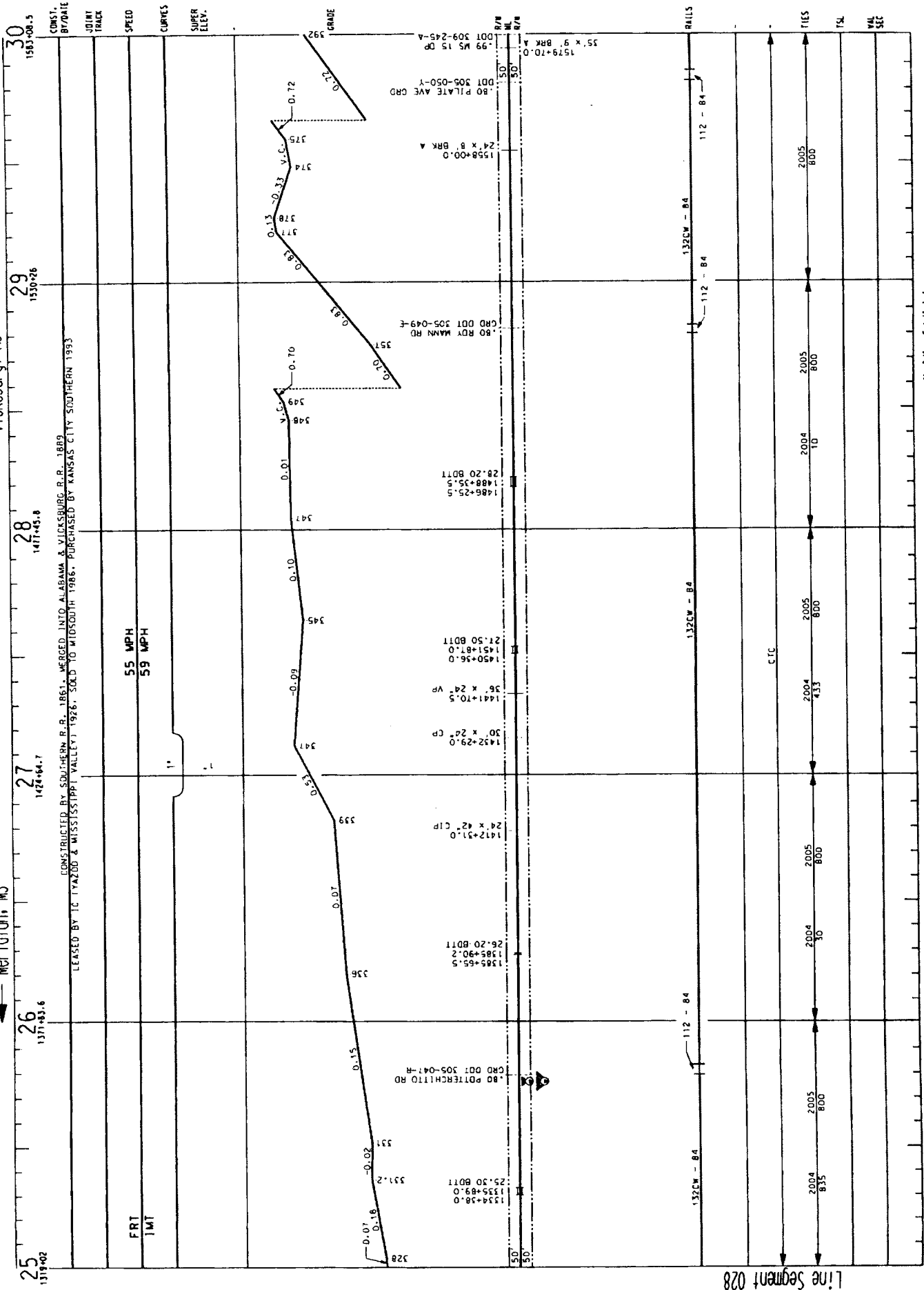
1100-649.dgn
Revised: 1-1-05

Waridon Subdivision
028-004

Line Segment 028

Meridian, MS

Vicksburg, MS

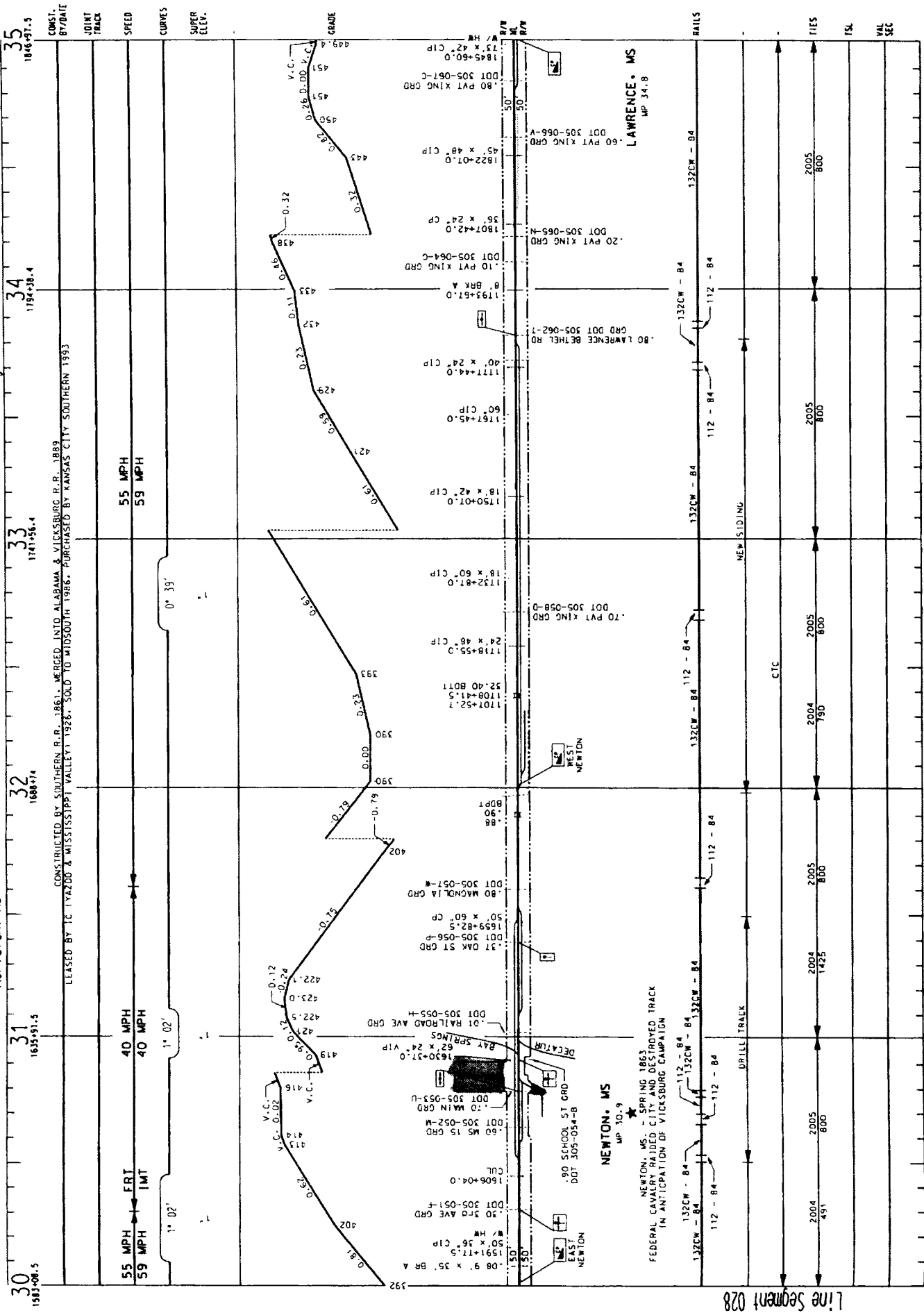


Line Segment 028

1100-451.dgn
Revised: 1-1-05

Meridian Subdivision
028-006

Meridian, MS ← Vicksburg, MS →

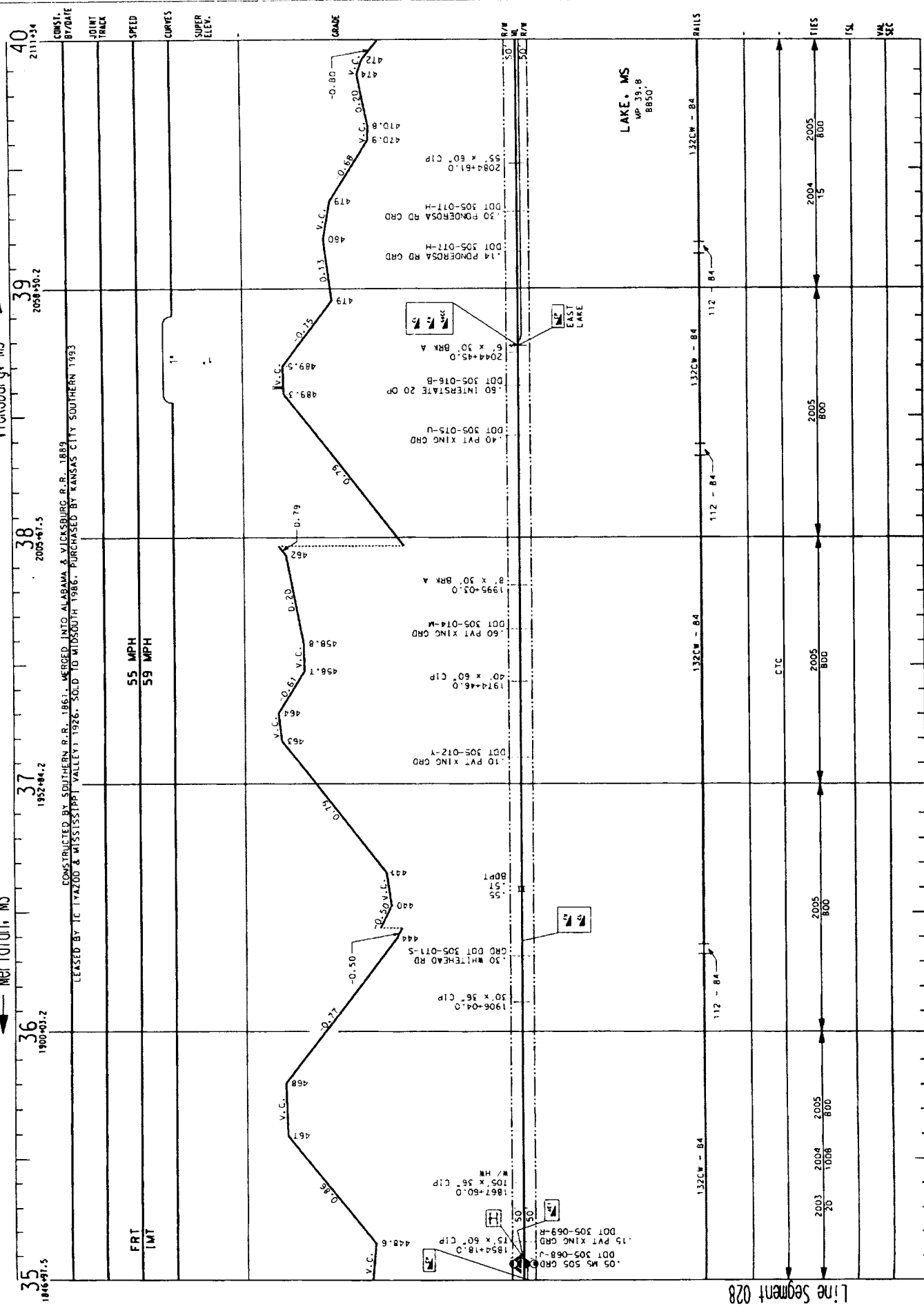


Meridian Subdivision 028-007

1100-452.dgn
 Revised: 1-1-05

Line Segment 028

Meridian, MS ← Vicksburg, MS →



35 36 37 38 39 40
2111-354
2058+50.2
2005+67.5
1952+84.2
1900+03.2
1846+91.5

CONST. BY DATE
JOINT TRACK
SPEED
CURVES
SUPER ELEV.

55 MPH
59 MPH

FRT
INT

LEASD BY IC (MAZOD & MISSISSIPPI VALLEY) 1926. SOLD TO MID-SOUTH 1986. PURCHASED BY KANSAS CITY SOUTHERN 1993
CONSTRUCTED BY SOUTHERN R.R. 1863. MERGED INTO ALABAMA & VICKSBURG R.R. 1889

Line Segment 028

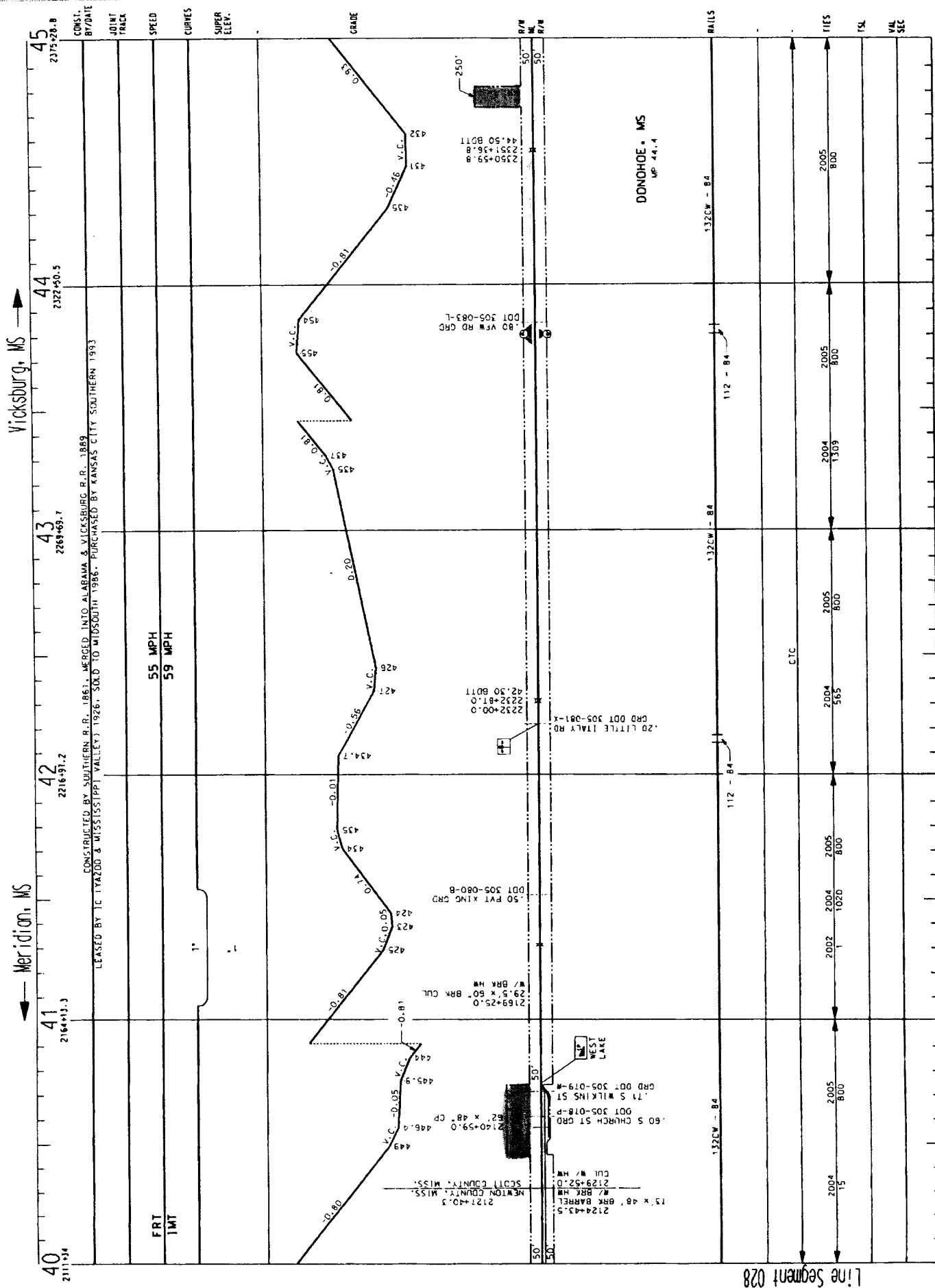
Meridian Subdivision
028-008

1100-453.dgn
Revised: 1-1-05

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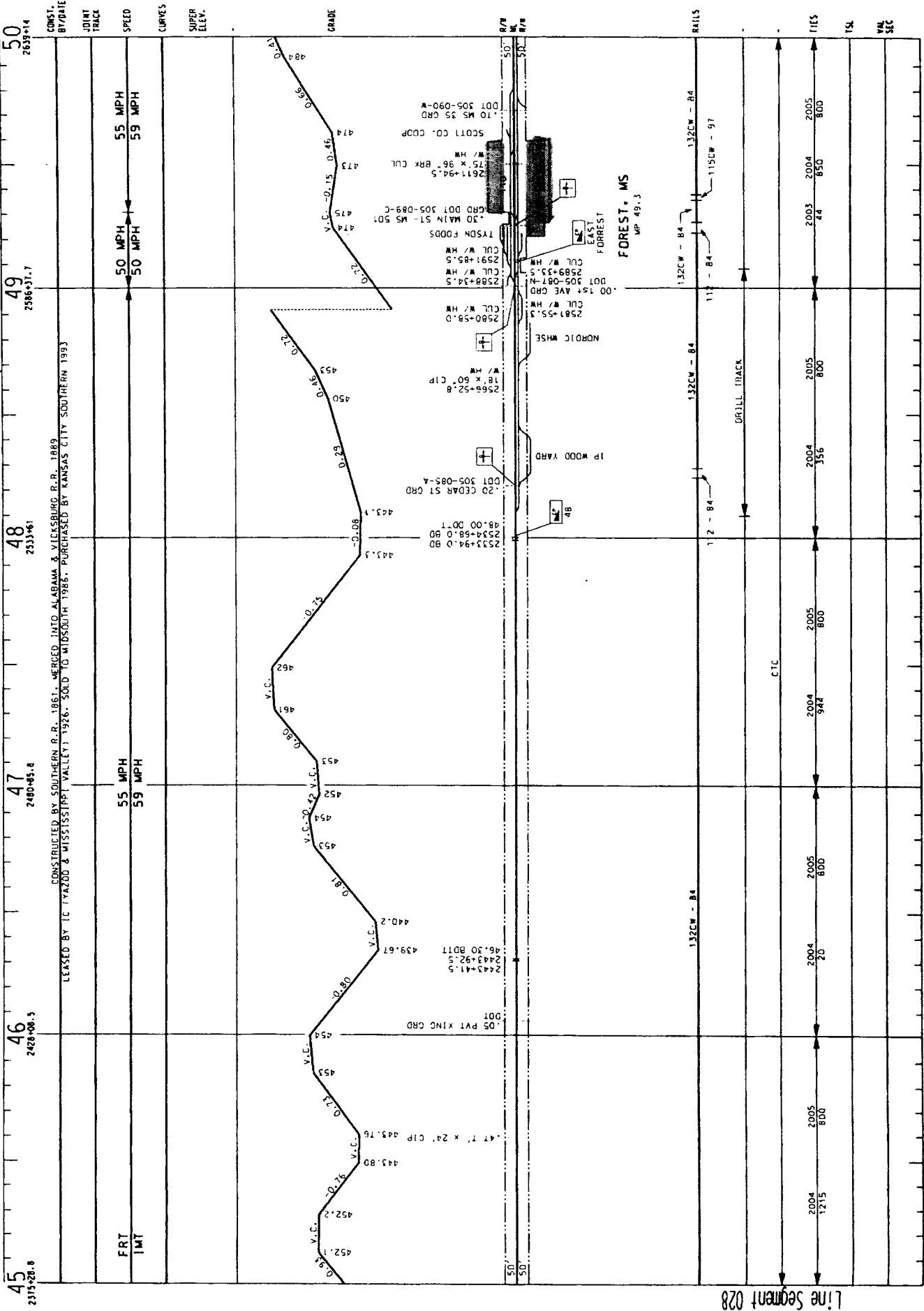
1100-654.dgn
Revised: 1-1-05

600-820
Marlton Subdivision



Meridian, MS

Vicksburg, MS



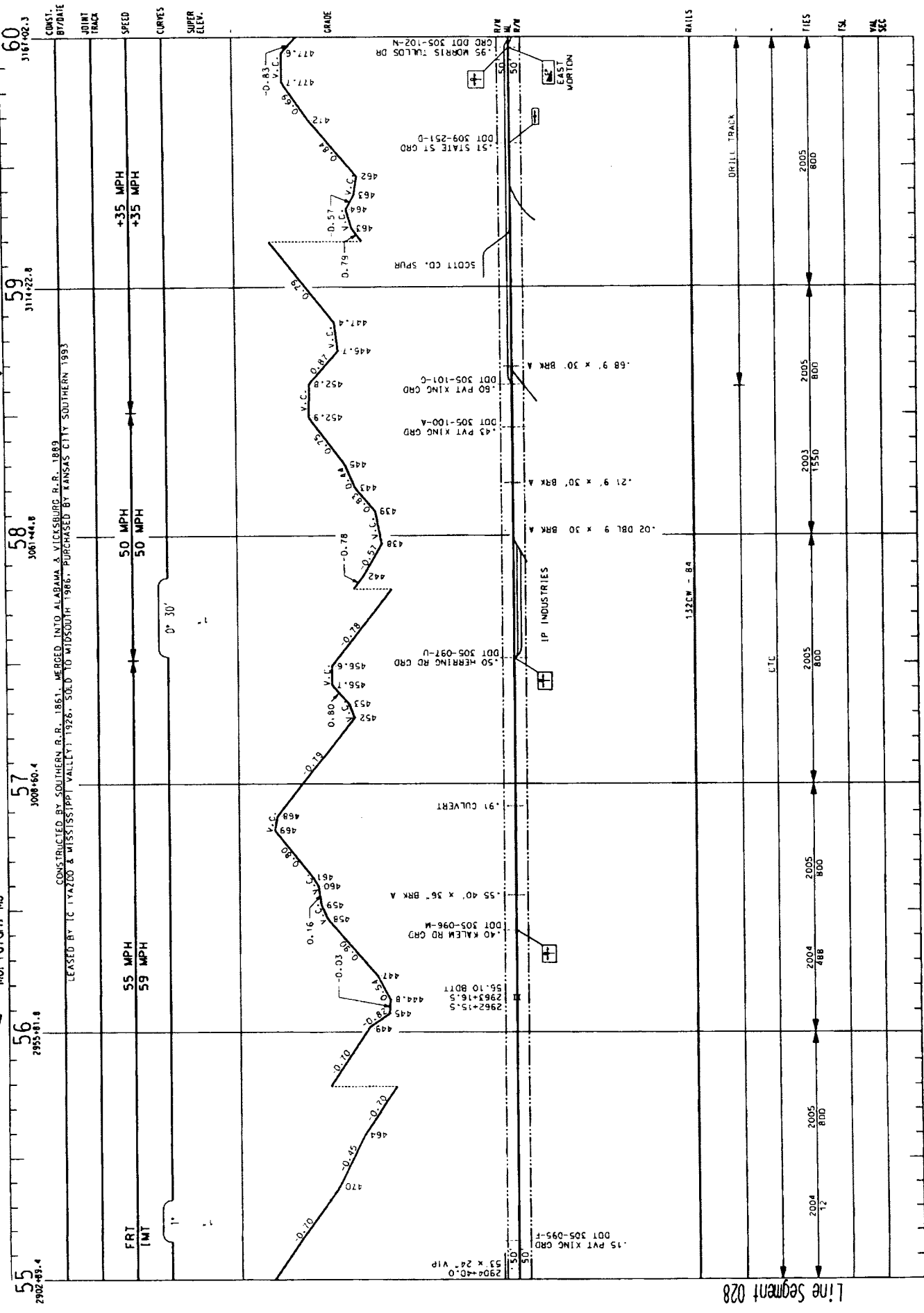
Meridian Subdivision
028-010

1100-655.dgn
Revised: 1-1-05

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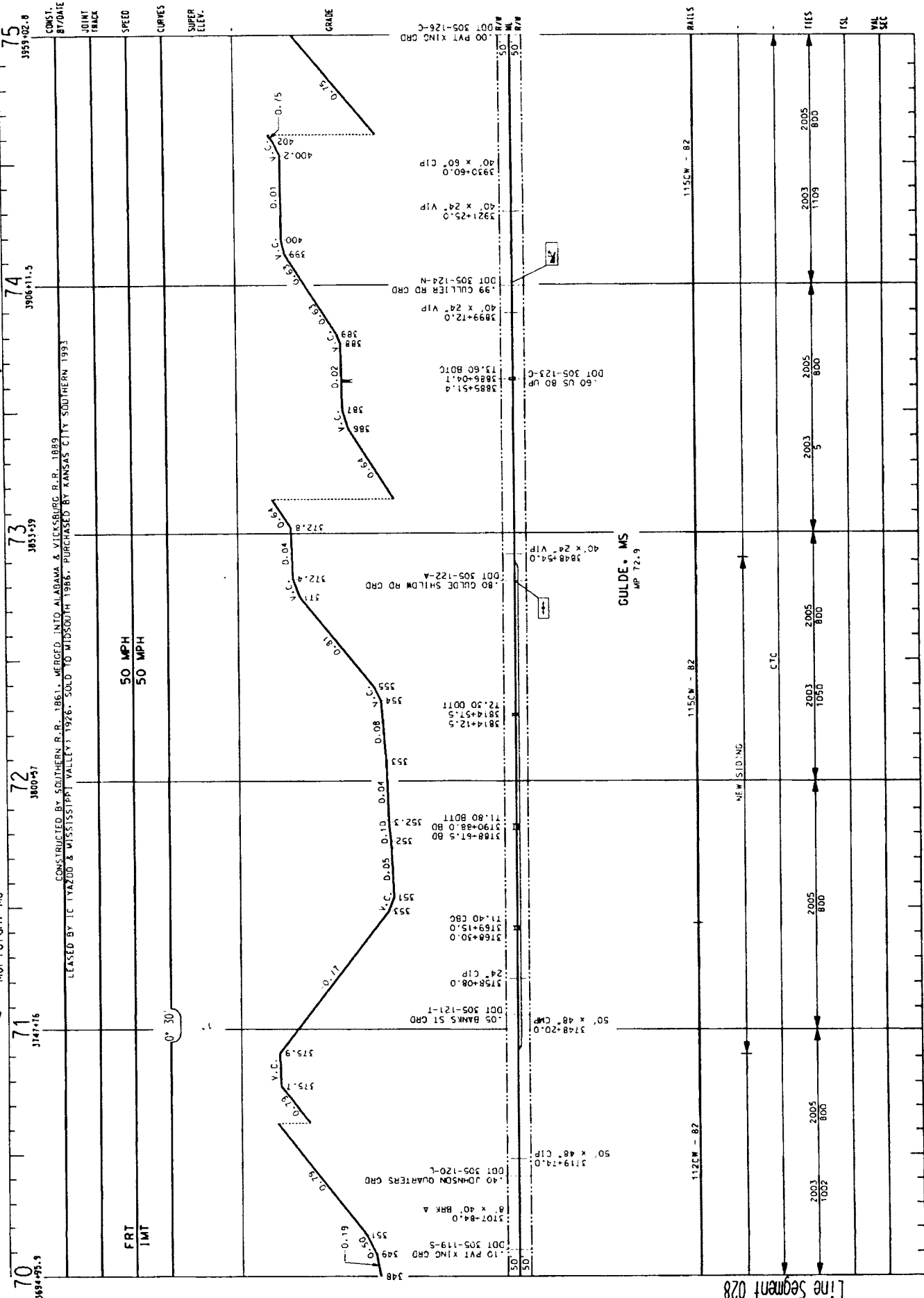
Vicksburg, MS

Meridian, MS



Vicksburg, MS

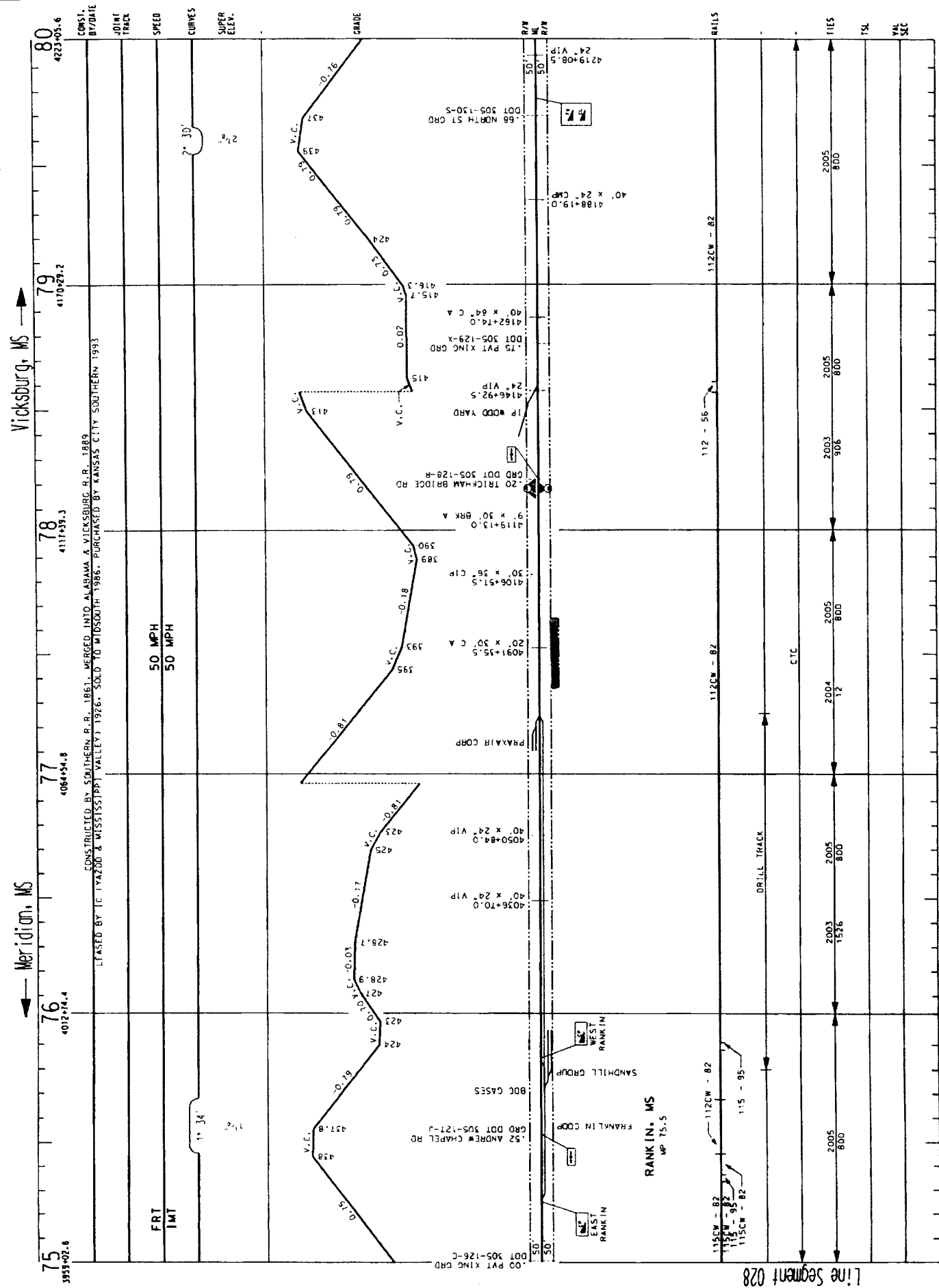
Meridian, MS



Line Segment 028

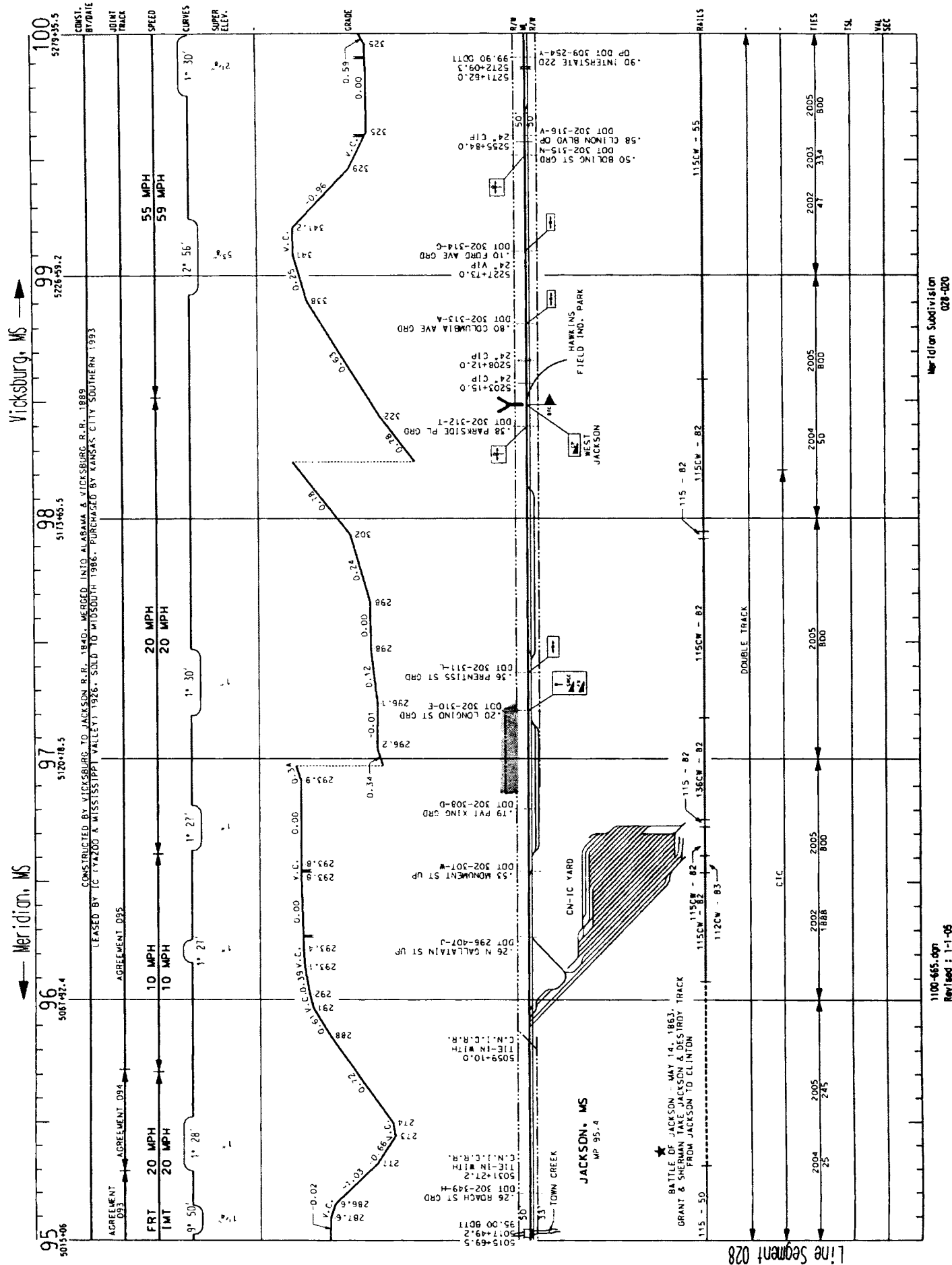
Meridian Subdivision
028-015

1100-660.dgn
Rev/Issd : 1-1-05



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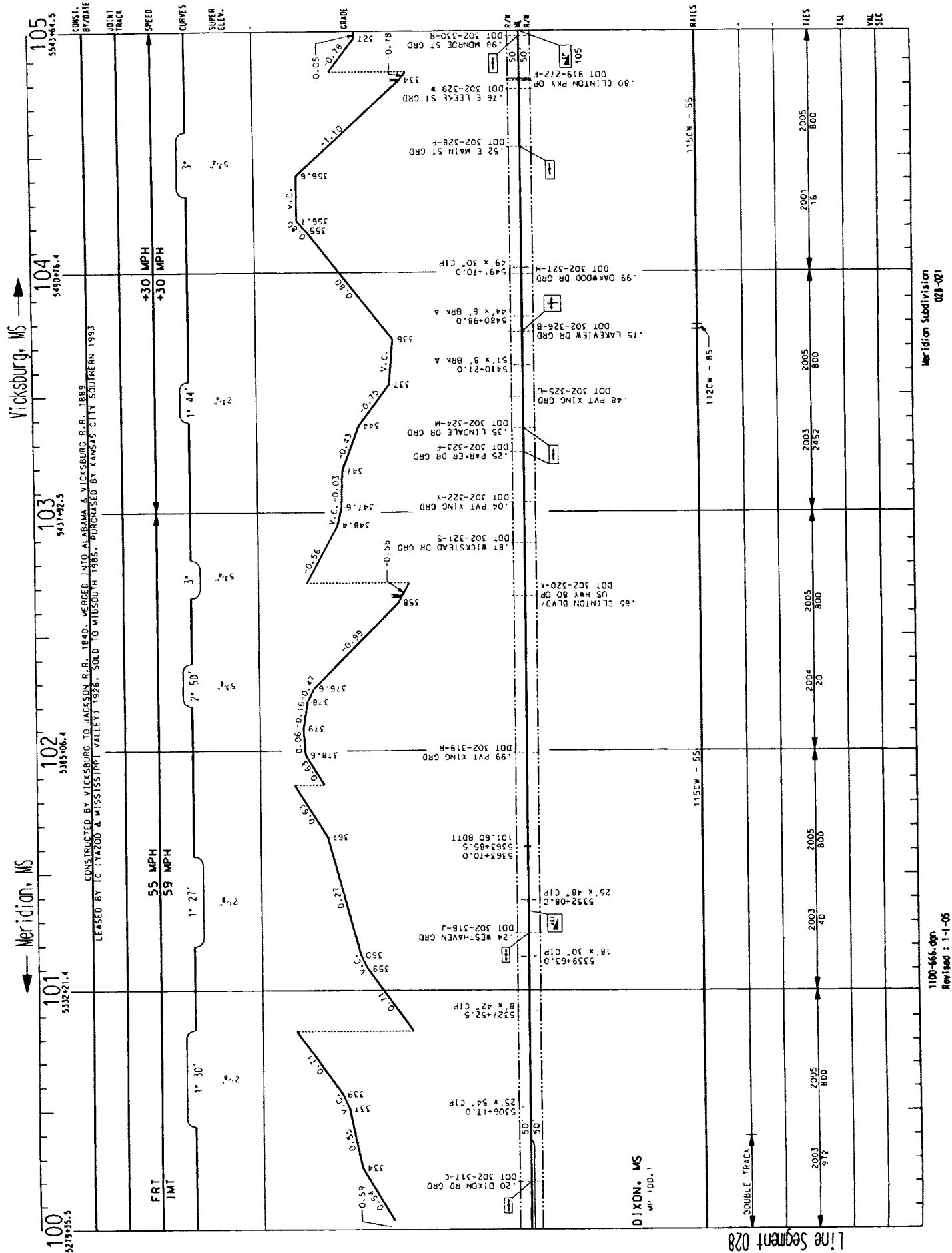
1100-662.dgn
Revised: 1-1-05



020-020
Mission Subdivision

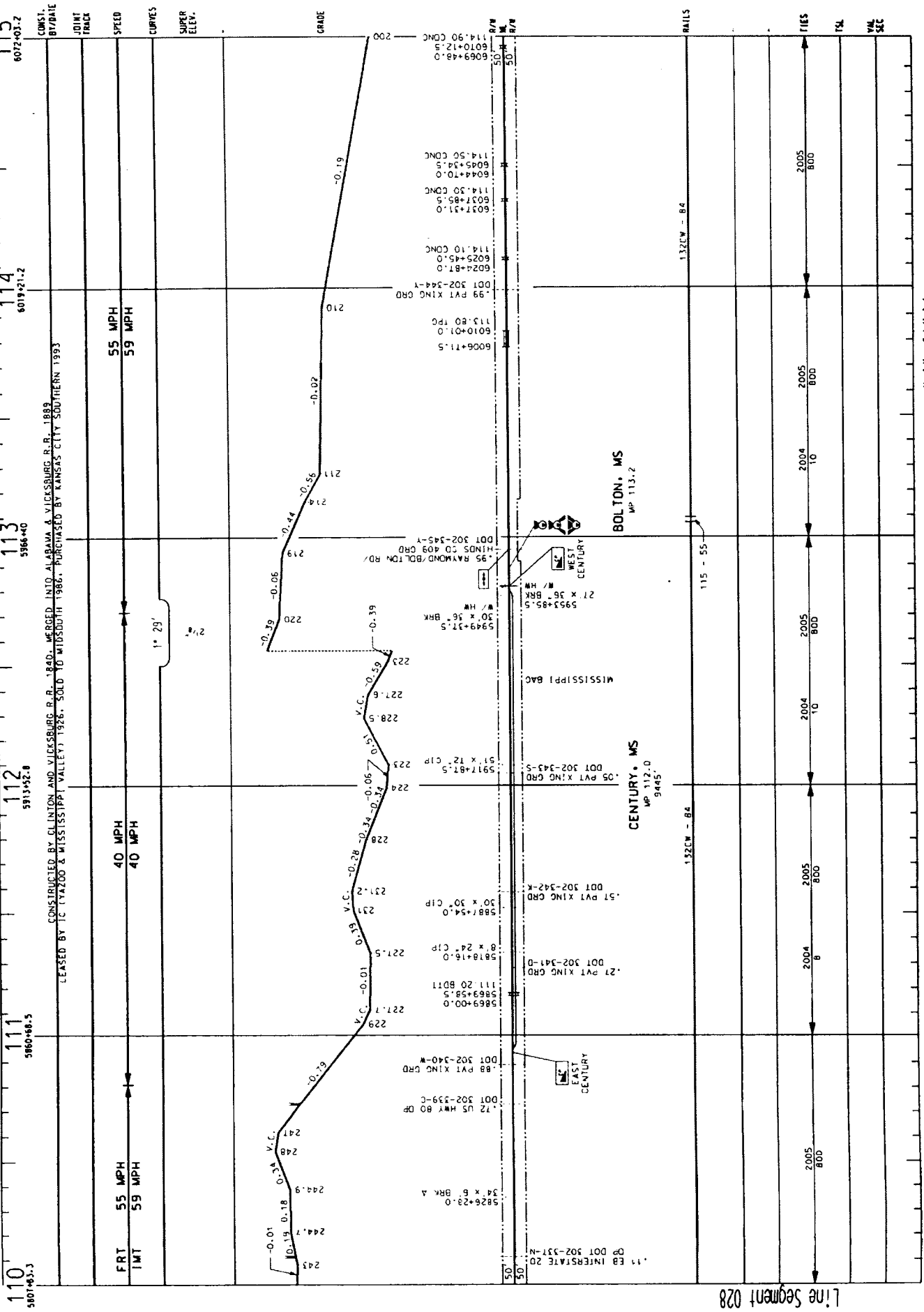
1100-665.dgn
Revised: 1-1-05

Line Segment 028



[illegible]

Meridian, MS ← Vicksburg, MS →



Line Segment 028

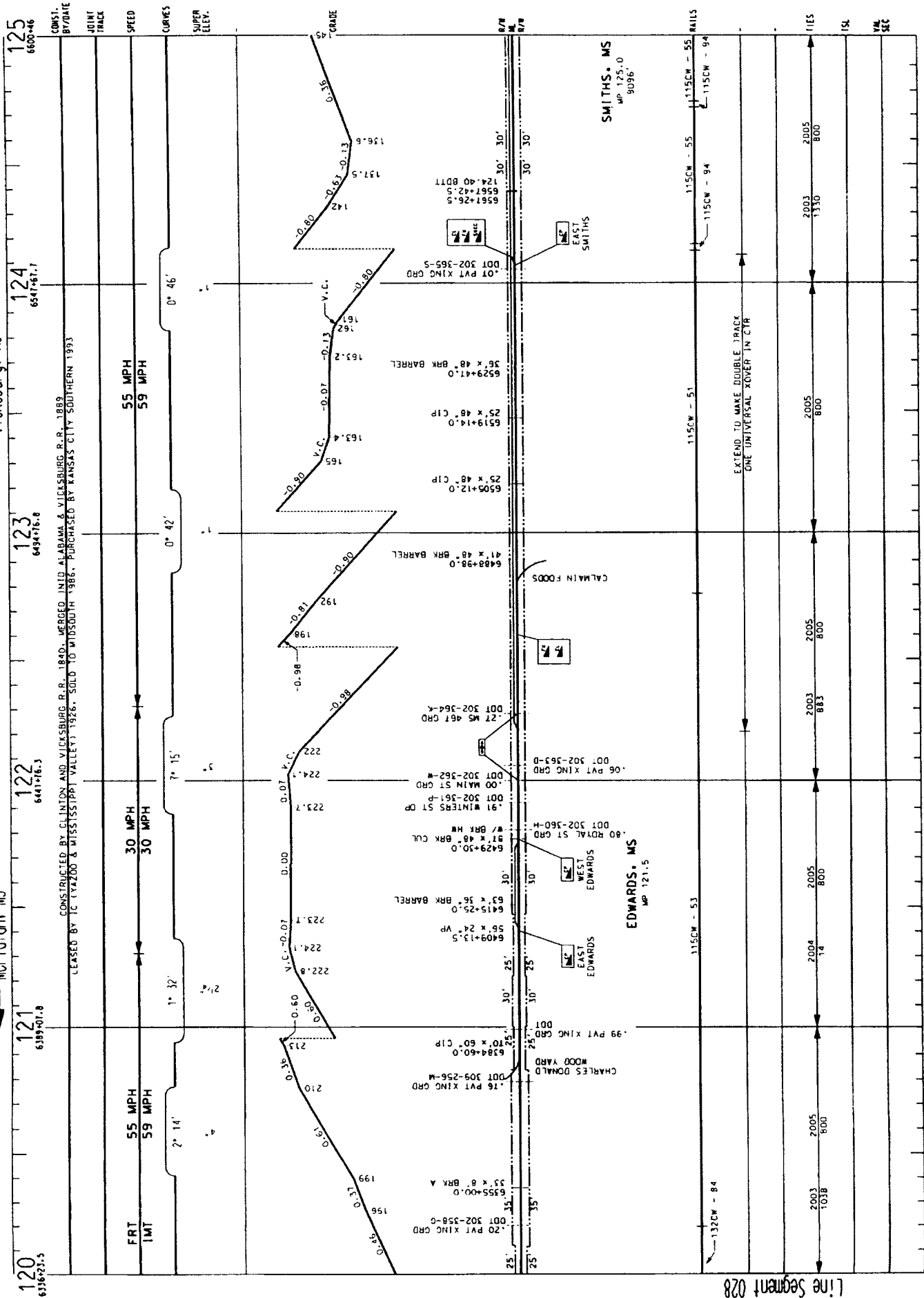
Meridian Subdivision 028-023

1100-668.dgn
Revised: 1-1-05

Meridian, MS ←

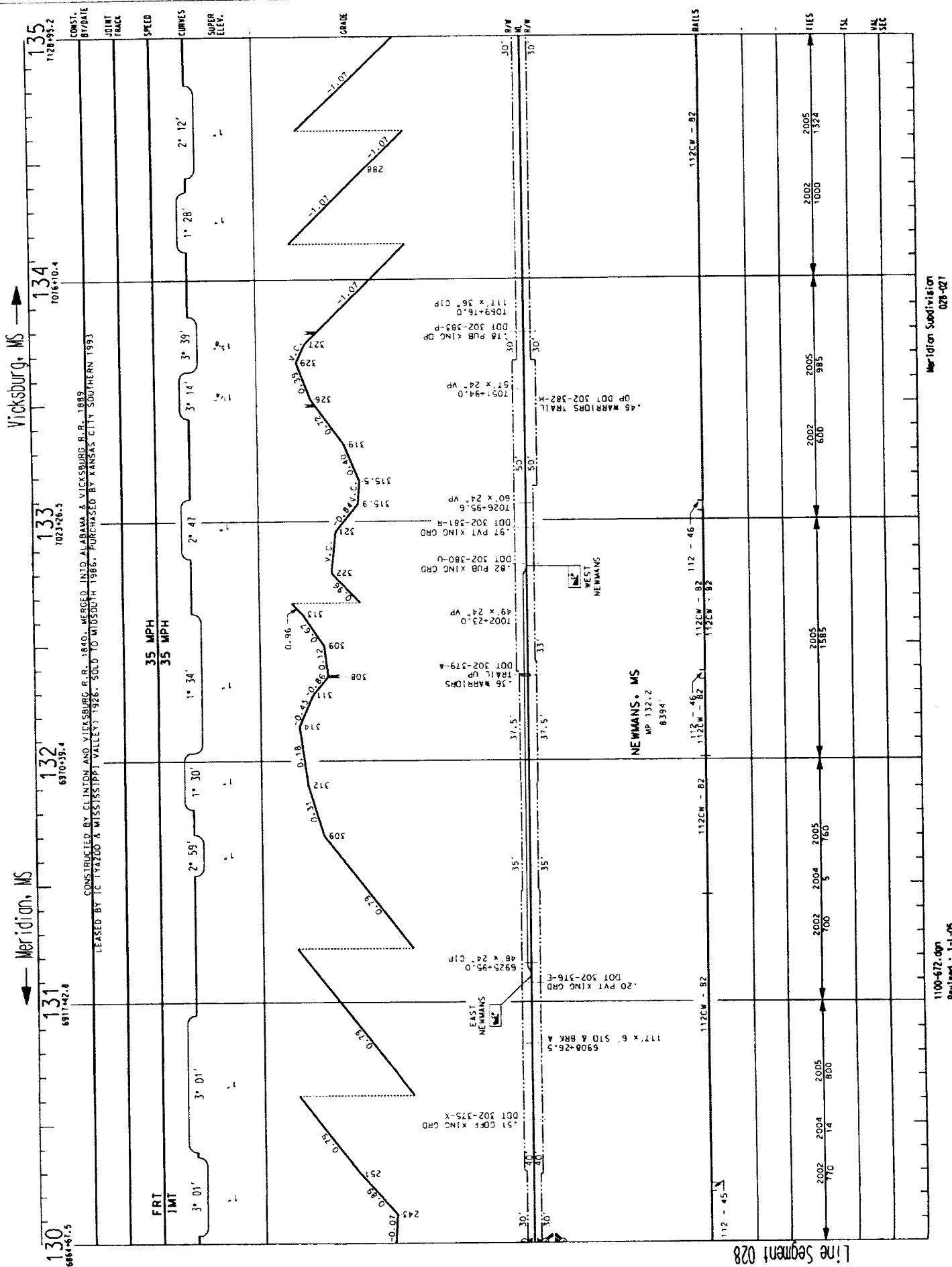
→ Vicksburg, MS

Line Segment 028



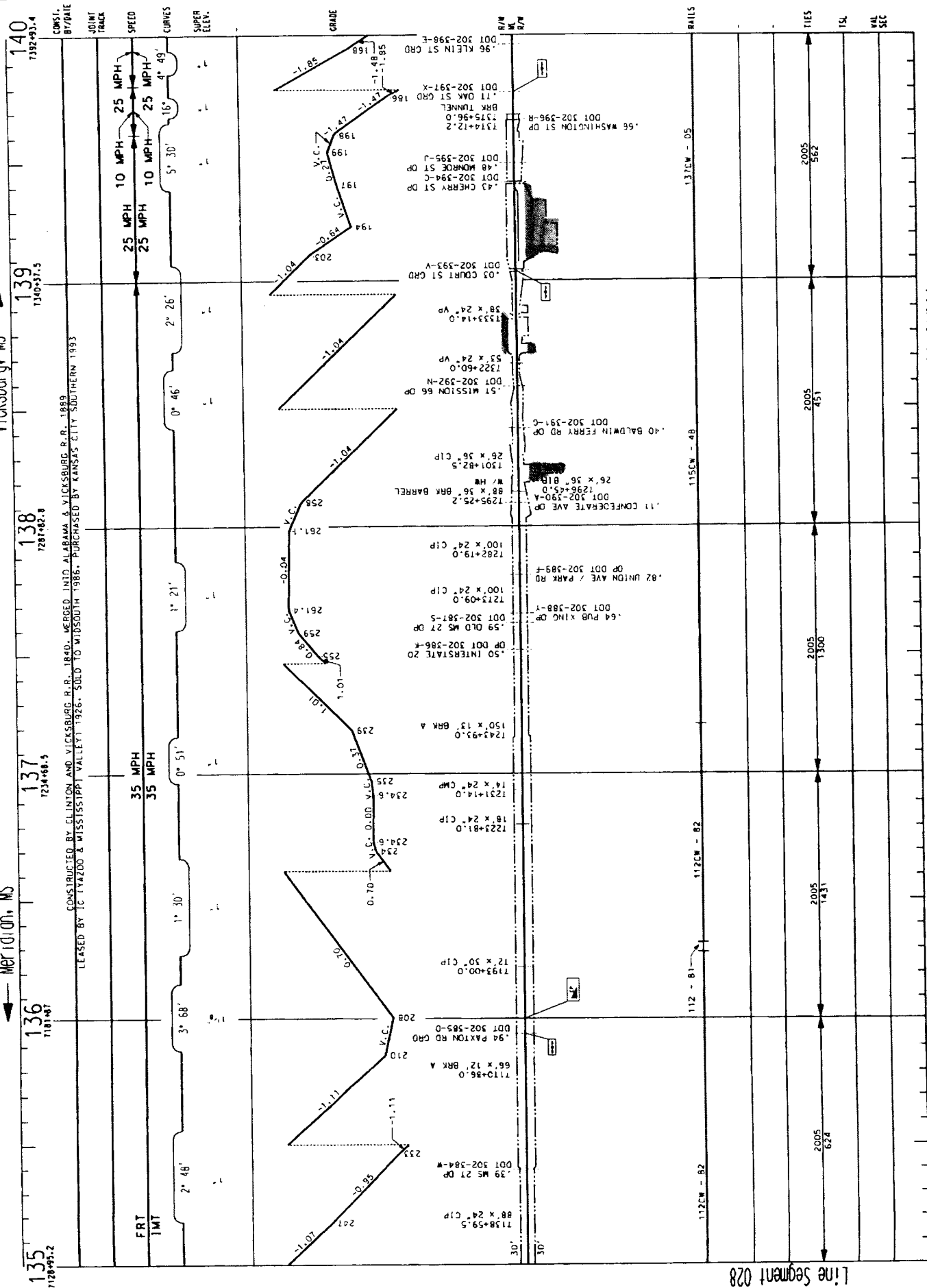
Meridian, MS

Vicksburg, MS —



Vicksburg, MS

Meridian, MS



Line Segment 028

Vicksburg, MS

Meridian, MS

140
7397+93.4

141
7445+63.6

VD00
000+00.0

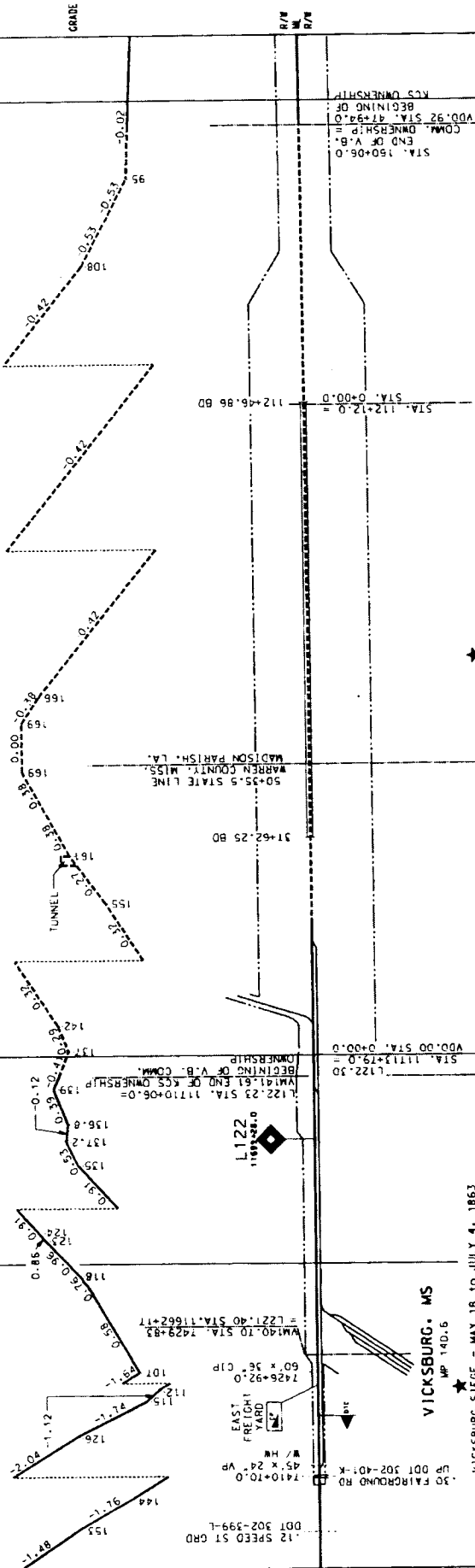
VD01
52+93.0

CONSTRUCTED BY CLINTON AND VICKSBURG R.R., 1940.
MERGED INTO ALABAMA & VICKSBURG R.R., 1889.
LEASED BY IC (YAZOO & MISSISSIPPI) VALLEY 1926.
SOLD TO WIDOWH 1886, PURCHASED BY KANSAS CITY SOUTHERN 1993

FRT 25 MPH
TMT 25 MPH

20 MPH
20 MPH

2° 11' 2° 15' 3° 4' 6' 4° 08'



VICKSBURG, MS
MP 140.6
VICKSBURG SIEGE - MAY 18 TO JULY 4, 1863
GRANT BRINGS VICKSBURG UNDER SIEGE.
CAPTURES ABOUT 30,000 CONFEDERATE TROOPS.
LINCOLN: "THE FATHER OF WATERS AGAIN DOES UNWEAR TO THE SEA."

VICKSBURG (MARY)
INCLINED & STEAM BARGES USED TO CROSS RIVER
1885 UNTIL BRIDGE COMPLETION IN 1930

137CW - 05

RAILS

Line Segment 028

Meridian Subdivision
028-029

1100-474.dgn
Revised : 8-31-05

TRACK CHART ABBREVIATION LEGEND

BRIDGES & CULVERTS

ARCH
ABUTMENT
APPROACH
ARMED TUNNEL LINER
BASCULE
BALLAST DECK
BALLAST DECK PILE TRESTLE - WOOD
BOLLER IRON PIPE
BRIDGE
BRICK
CONCRETE ARCH
CONCRETE BOX
CONCRETE BOX GIRDER
COMBINATION CONCRETE & STEEL PIPE
COMBINATION CONCRETE & TIMBER SLAB
CONCRETE "I" GIRDER
CAST IRON PIPE
CURRUGATED METAL ARCH
CORRUGATED METAL PIPE
CONCRETE "T" GIRDER
CONCRETE PIPE
CULVERT
DOUBLE
DECK GIRDER
DECK PLATE GIRDER
DECK PLATE LATTICE GIRDER
DECK PIN CONNECTED GIRDER
DECK PIN CONNECTED TRUSS
DRAM SPAN
DRIFT
DECK RIVETED TRUSS
DECK SPAN
SWING SPAN
DECK TRUSS
EXTENSION
FRAME TRESTLE - WOOD
FOOTING
GALVANIZED CORRUGATED IRON PIPE
GALVANIZED IRON PIPE
HEADWALL
"I" BEAM OR GIRDER BEAM SPAN
LONG
LIFT SPAN
MULTI-PLATE PIPE
MASONRY
OVAL
OVAL CONCRETE PIPE
OPEN DECK
OVAL METAL DECK
OVAL REINFORCED CONCRETE PIPE
PRE-STRESSED CONCRETE
PERFORATED CORRUGATED CONCRETE PIPE
PEDESTAL
PONT RIVETED TRUSS
PILE TRESTLE - WOOD
REINFORCED CONCRETE ARCH
REINFORCED CONCRETE BOX

REINFORCED CONCRETE PIPE
REINFORCED CONCRETE TRUSTLE
REDWOOD
REINFORCED STONE BOX
RAIL TRACK BOX
RAIL TOP STONE BOX
STEEL ARCH
STEEL BOX GIRDER
STEEL PIPE
STEEL PLATE PIPE
STEEL STRINGERS & CAPS
STRUCTURAL STEEP PIPE
STONE ARCH
STONE BOX
STONE
TILE
TIMBER BOX
TUNNEL LINER
THRU GIRDER
THRU TRUSS
THRU LATTICE GIRDER
TILE PIPE CONNECTED TRUSS
THRU PIN CONNECTED GIRDER
TREATED
T-RAIL
TRIPLE
THRU RIVETED TRUSS
VITRIFIED PIPE
VITRIFIED TILE PIPE
WOOD
WOOD BOX
WIDE FLANGE BEAM SPAN
WOOD PIPE
WROUGHT IRON PIPE

FL LUB
FLASHING SIGNAL
HOT BEARING REFLECTOR BOARD
HIGH WATER DETECTOR
TOTAL CURVE ANGLE
INTERLOCKING SIGNAL
INTERLOCKING SWITCH
INTERLOCKING
LEFT
LINE SEGMENT
MANUAL SWITCH
MIDDLE MAIN
MILEPOST
NORTHBOUND
NORTH MAIN
OCCUPANCY CONTROL SYSTEM
OVERHEAD
PASSENGER(SPEED)/PREMIUM RAIL
POWER SWITCH/POWER
POINT OF SWITCH
RIGHT
RESTRICTED LIMITS
RAIL GRINDING
RAIL LUBRICATOR
SIGNALS
SECOND HAND RAIL
SHOULDER BALLAST CLEANING
SOUTH MAIN
SPRING SWITCH
TURN-OUT
TRACK
TRACK WARRANT CONTROL
UNDERCUT
WELDED

MISCELLANEOUS
AVE
AVE
BRANCH
BLVD
CD
CONN
COMPUTED
CONST
CREEK
CROSSING
CROSSING NUMBER
DEPT OF TRANSPORTATION
EAST
ELEVATION
ELEVATION
FLOOD LIGHT POLE
FLOOD LIGHT TOWER
FREIGHT
AT GRADE
HOUSE
HIGHWAY
INDUSTRY
JUNCTION
LEFT
MAINTENANCE
MAX
MAXIMUM
MIXED
MIX
MORT
NO
OVERHEAD
OVERPASS
PEDESTRIAN
POWER
PASSENGER
PUBLIC
PRIVATE
RD
ROAD
ROAD CROSSING
RESERV
RIVER
RAILROAD
RESUME SPEED
RIGHT
RIGHT-OF-WAY
RAILWAY
SECTION
SOUTH
STREET
STATION
TRIPLE
UNDERPASS
WEST
WESTWARD
YARD
YARD LIMITS
CROSSBUCKS
CROSSING

FACILITIES

BOOTH TELEPHONE
OFFICE OF COMMUNICATION
CINDER CONVEYOR
COAL CHUTE
EXPRESS BUILDING
FUEL
INTERLOCKING TOWER
LAVATORY
LAV
DIL COLUMN
DIL TANK
RADIO COMMUNICATION
STOCK YARD
TURNABLE
TREATMENT PLANT
WATER
WATER COLUMN
WATER TANK
WYE

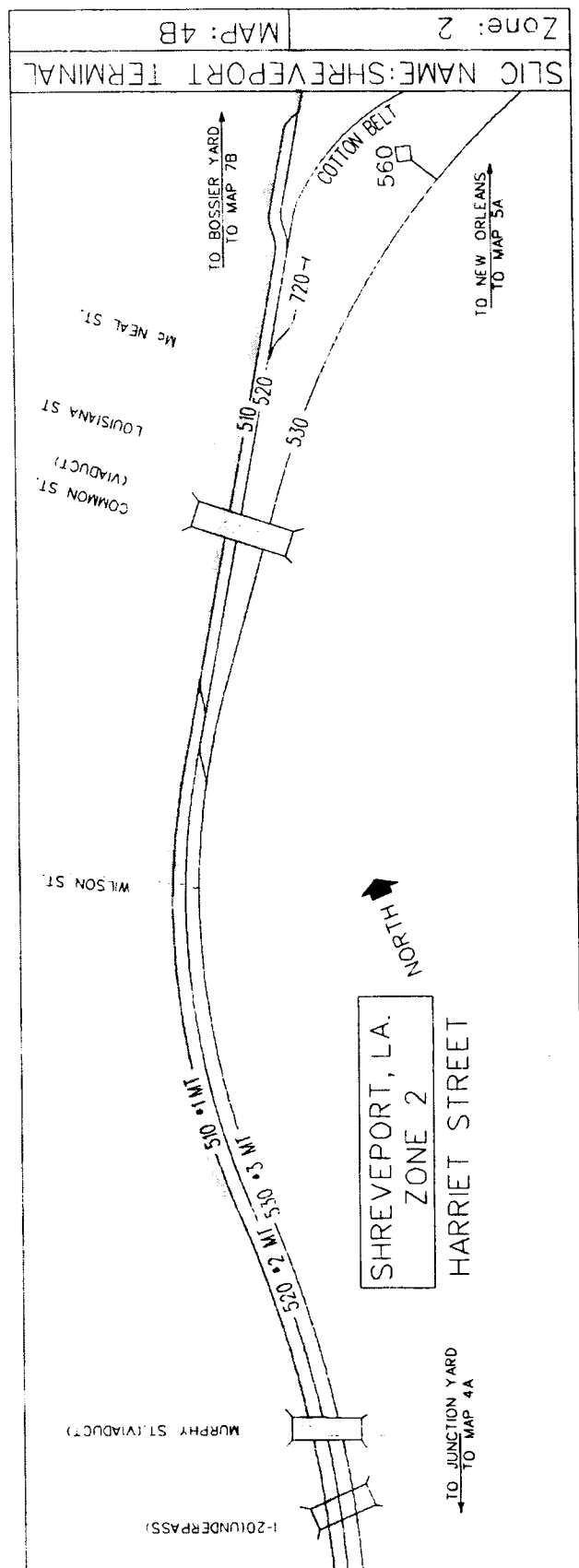
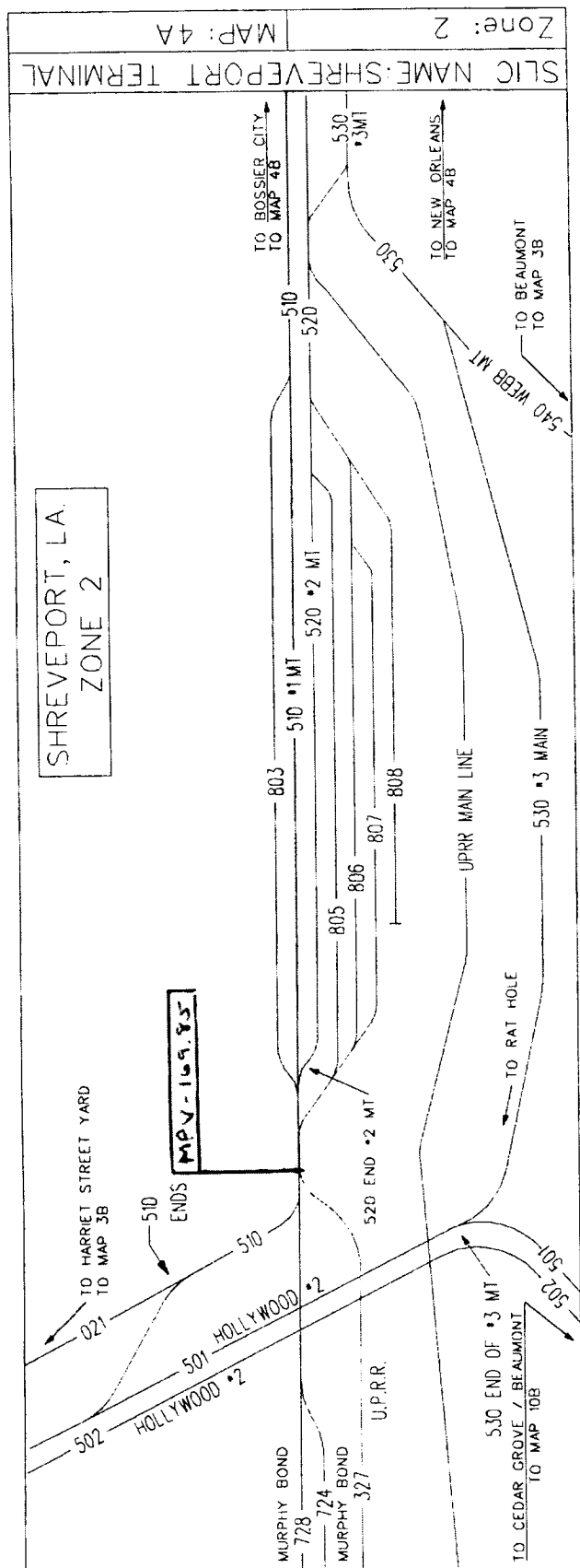
TRACK & SIGNAL

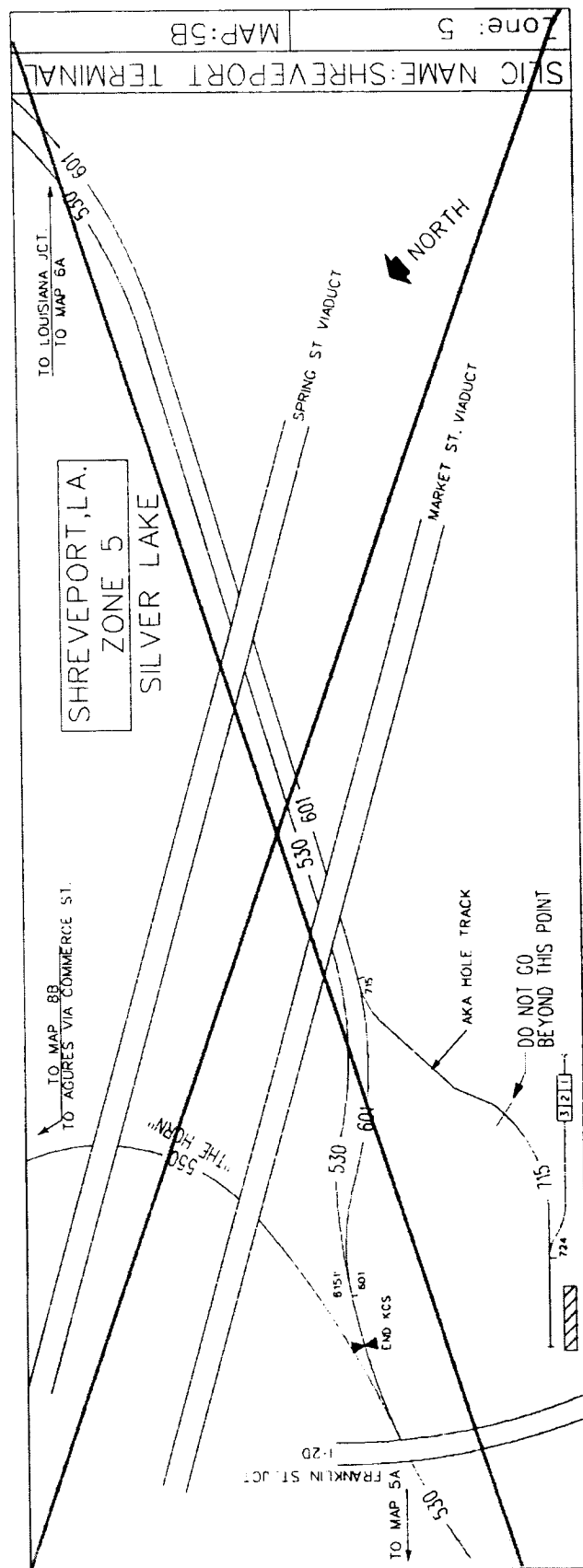
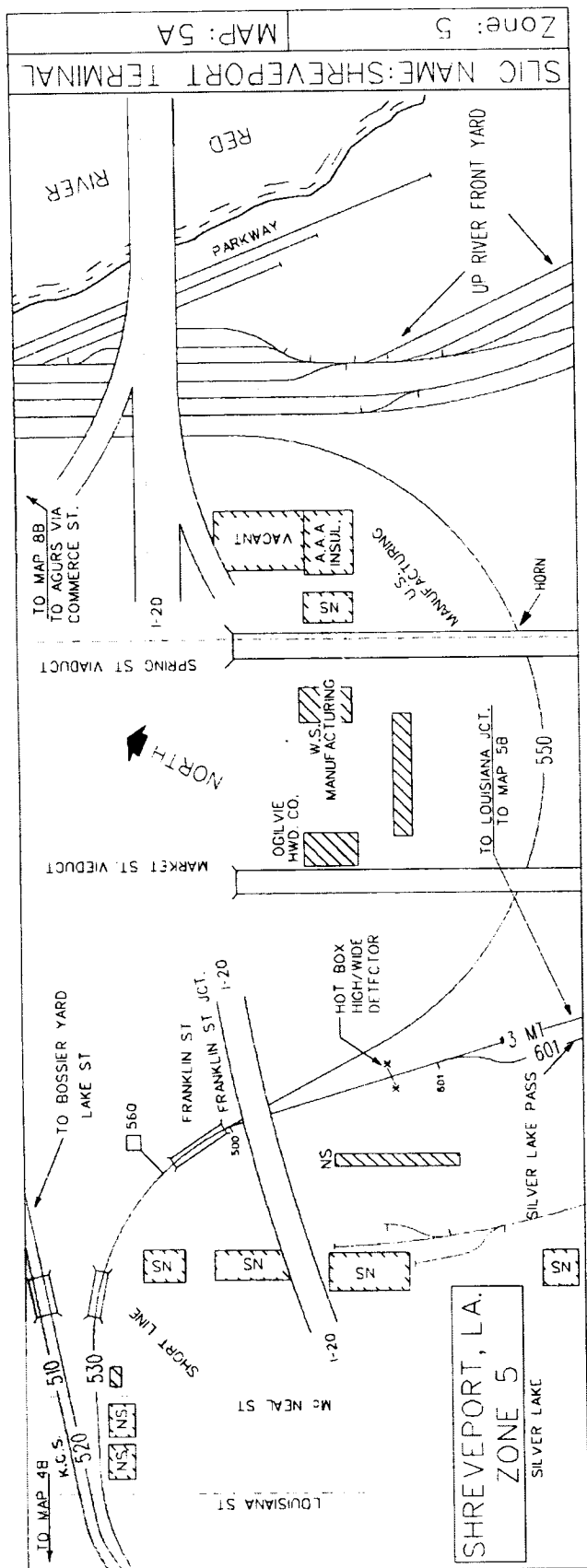
AUTOMATIC BLOCK SIGNAL SYSTEM
AUTOMATIC PERMISSIVE BLOCK
AUTOMATIC TRAIN STOP
AUTOMATIC GATE
BOLTED RAIL
BLOCK
BRANCH LINE TERRITORY
BUMPING POST
BRIDGE SIGNAL
BLOCK REGISTER TERRITORY
CURVE/CONTROLLED SWITCH/CONCRETE
CONTROL SIGNAL
CANTILEVER SIGNAL
CAPACITY
CENTRALIZED TRAFFIC CONTROL
QUAL CONTROL SWITCH
DRAGGING EQUIPMENT DETECTOR
EQUILATERAL SWITCH
FREIGHT (SPEED)

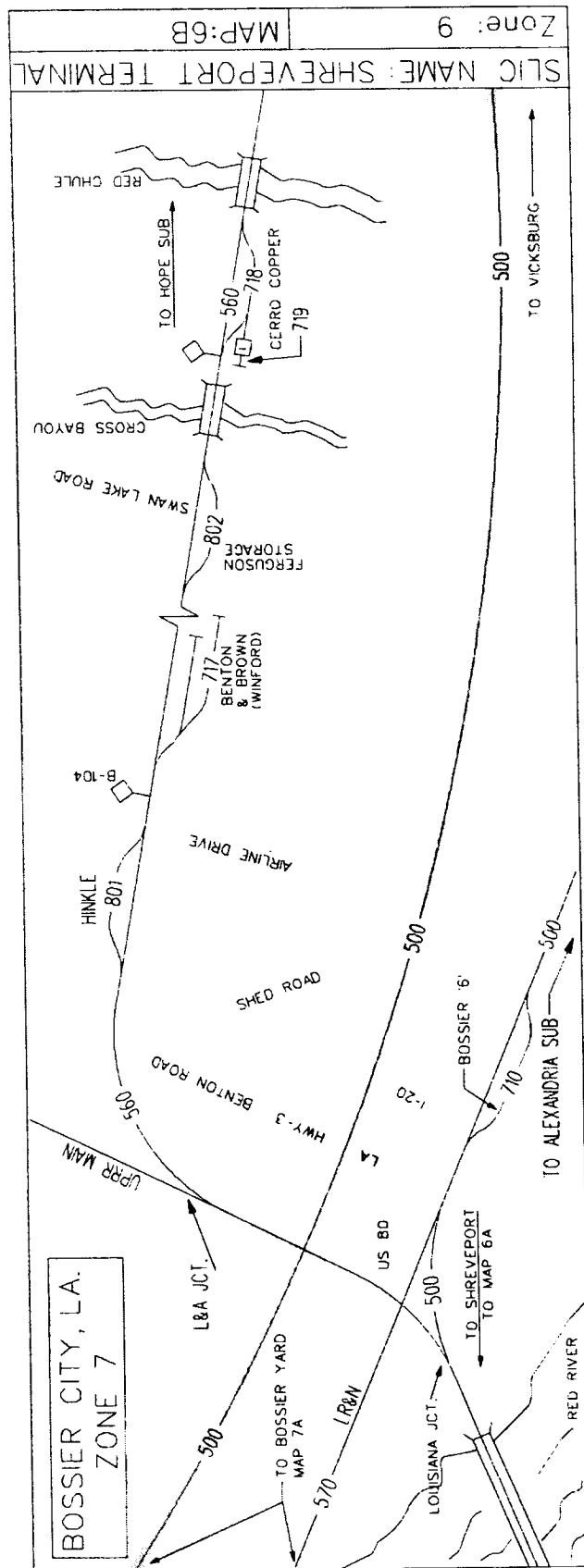
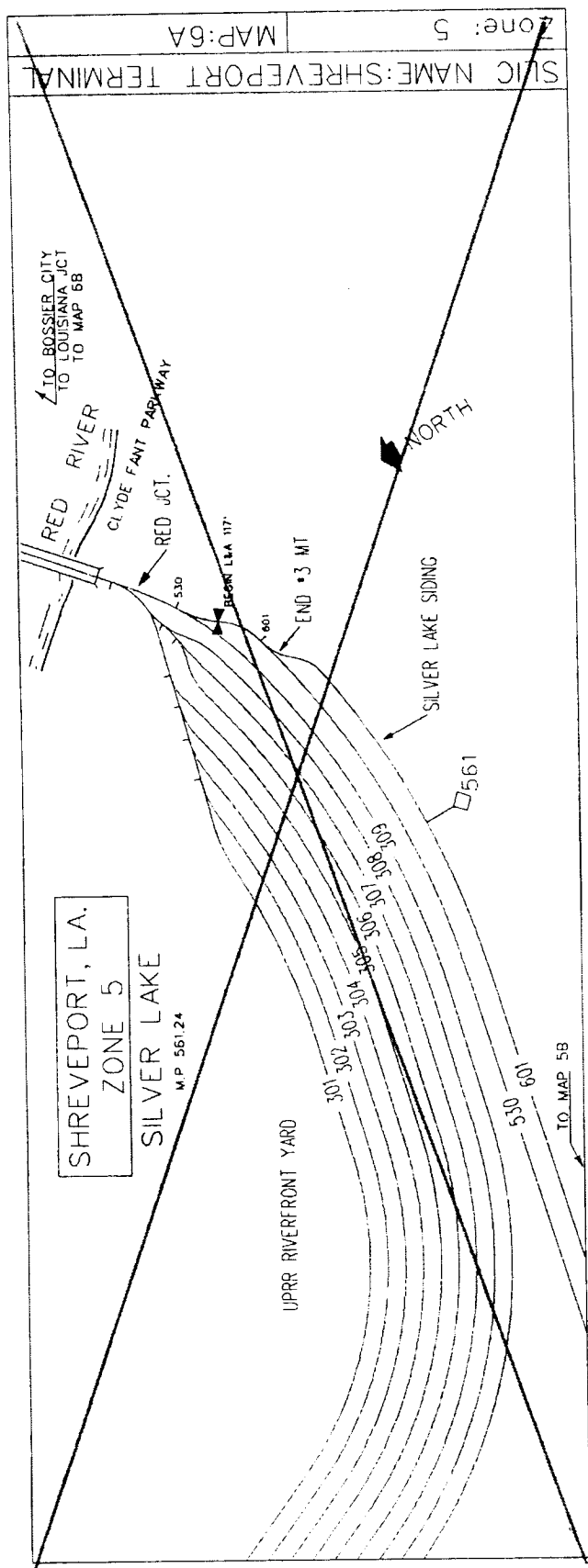
ALL TRACKS HIGHLIGHTED IN
GREEN ARE INCLUDED

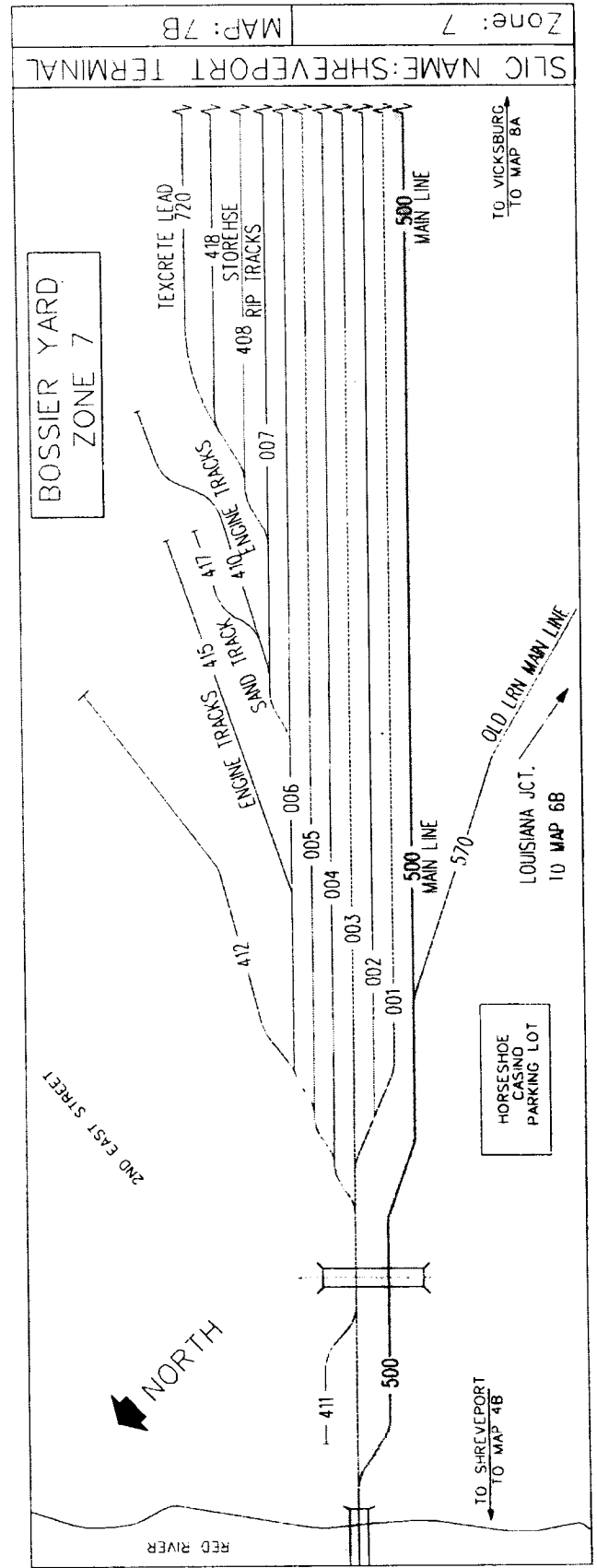
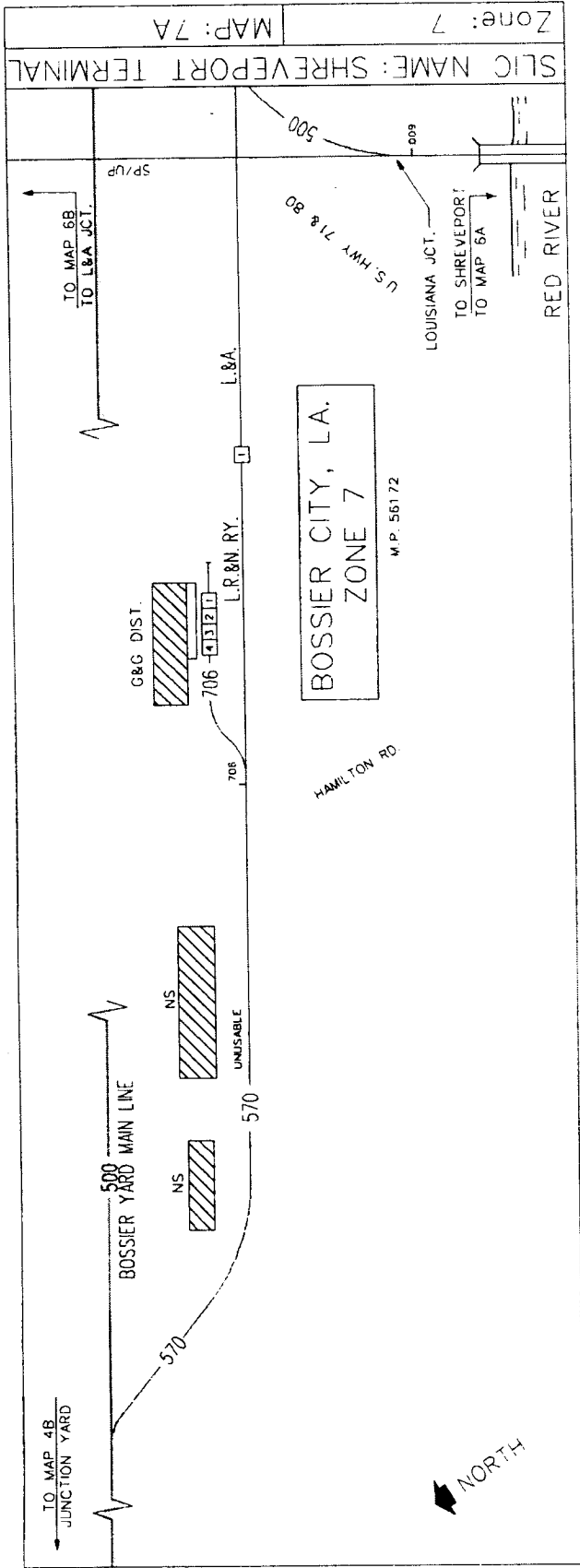
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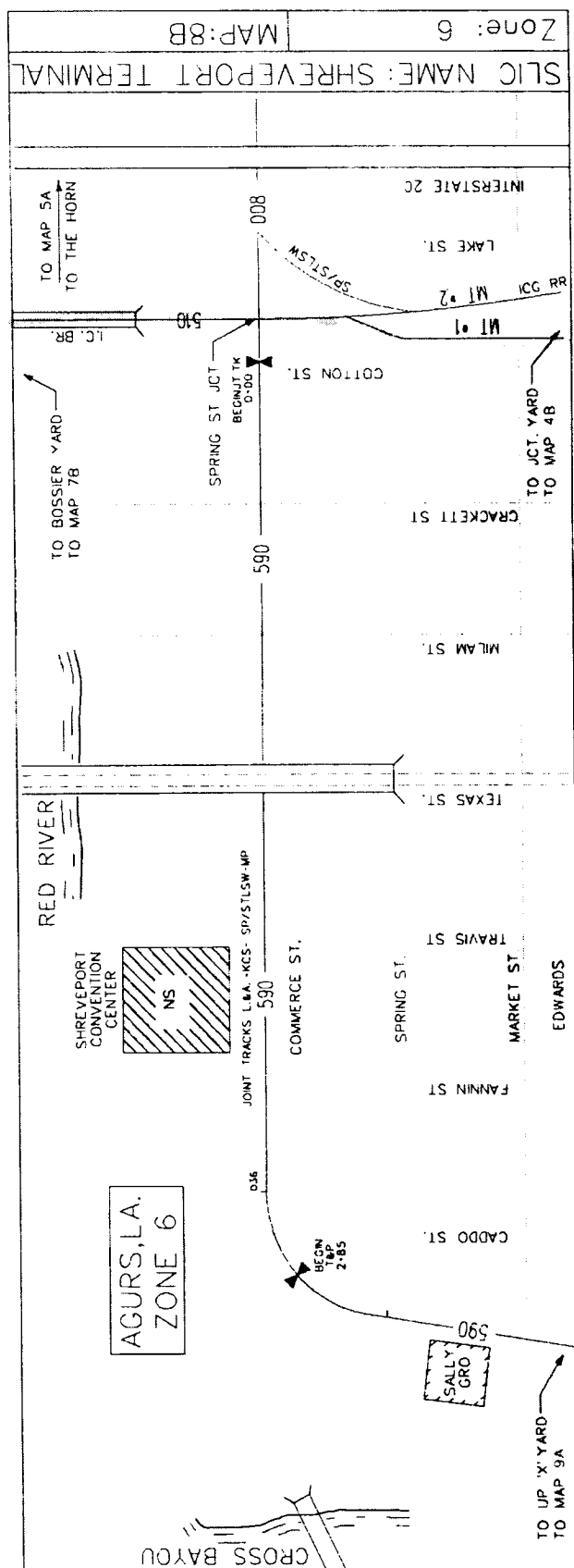
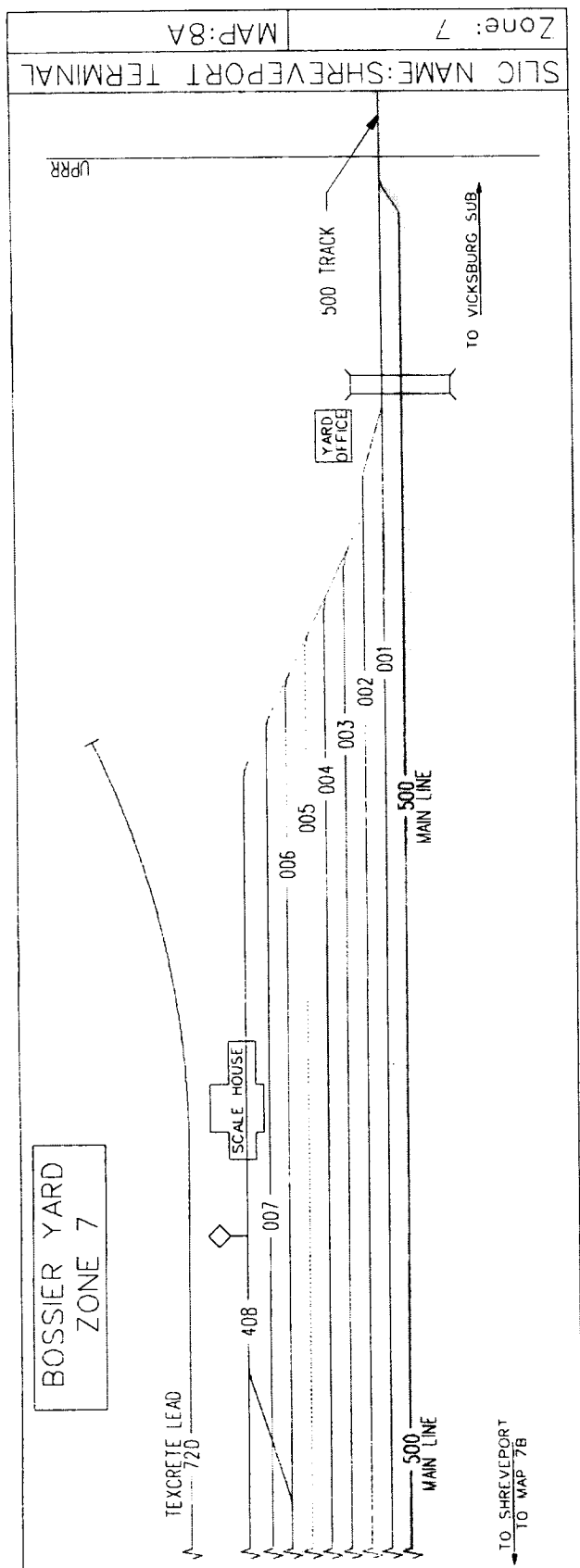
OCTOBER 31, 2001











VICKSBURG

MERIDIAN

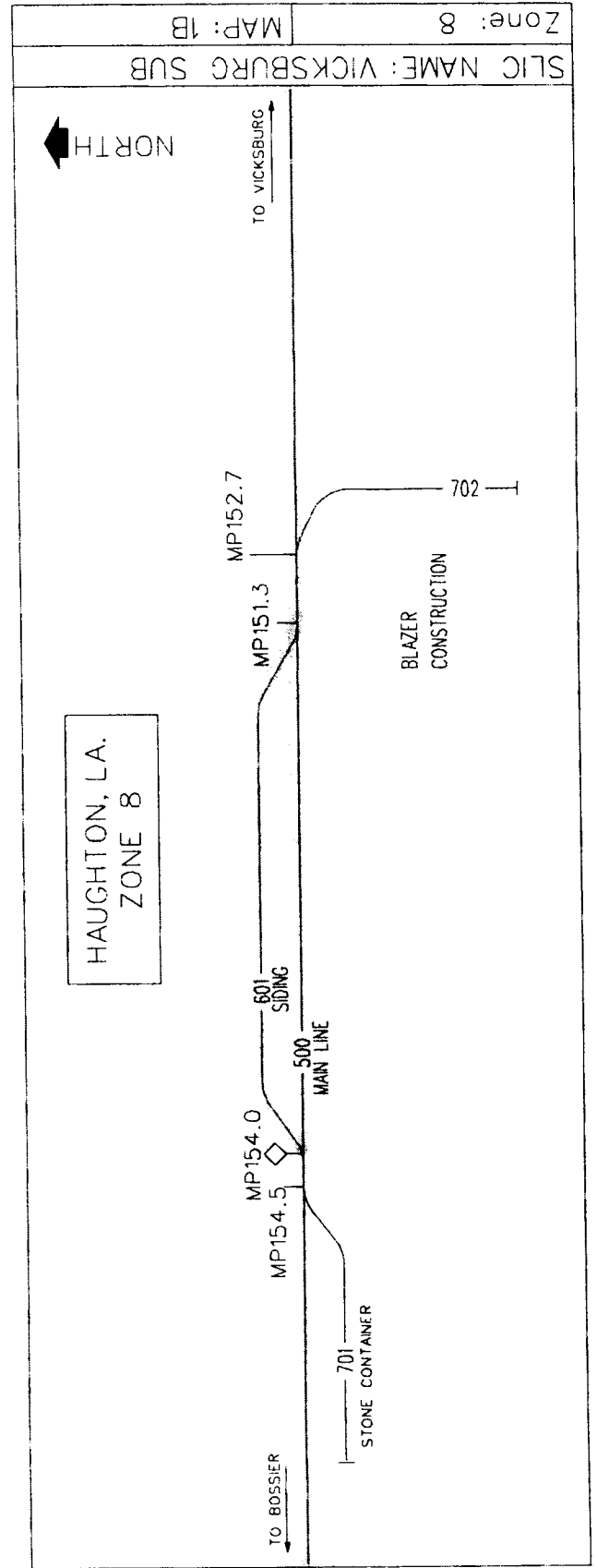
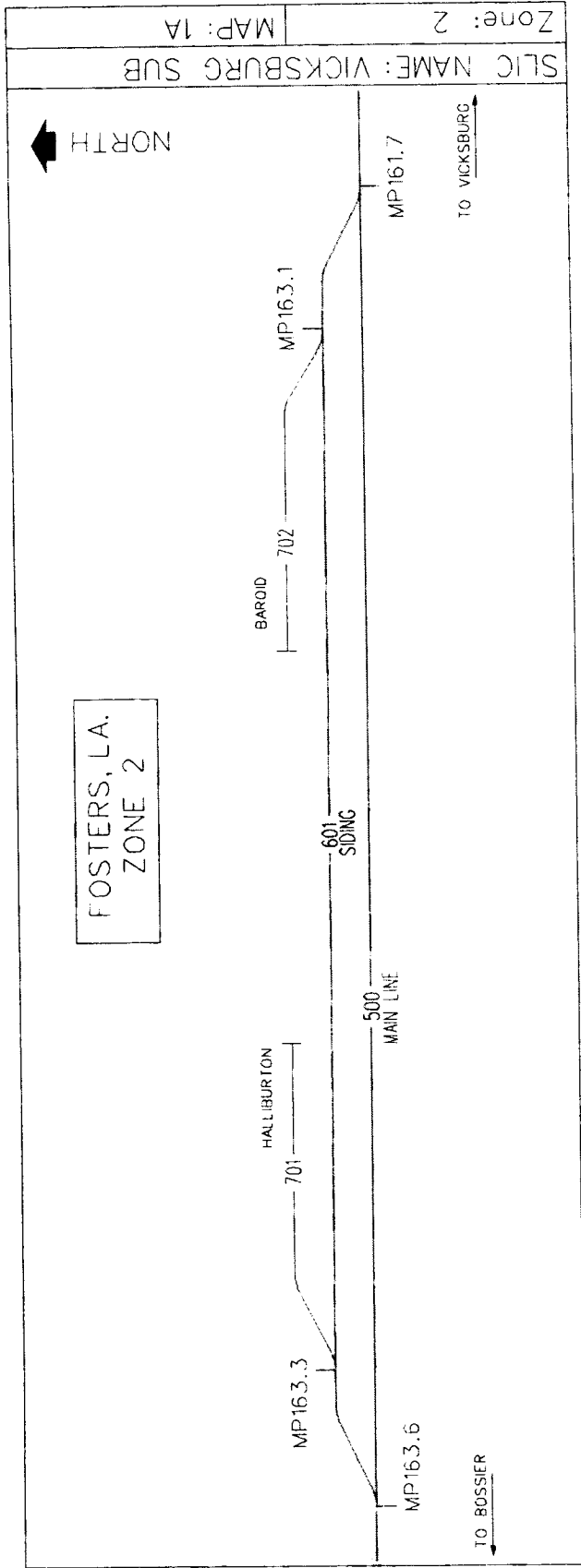
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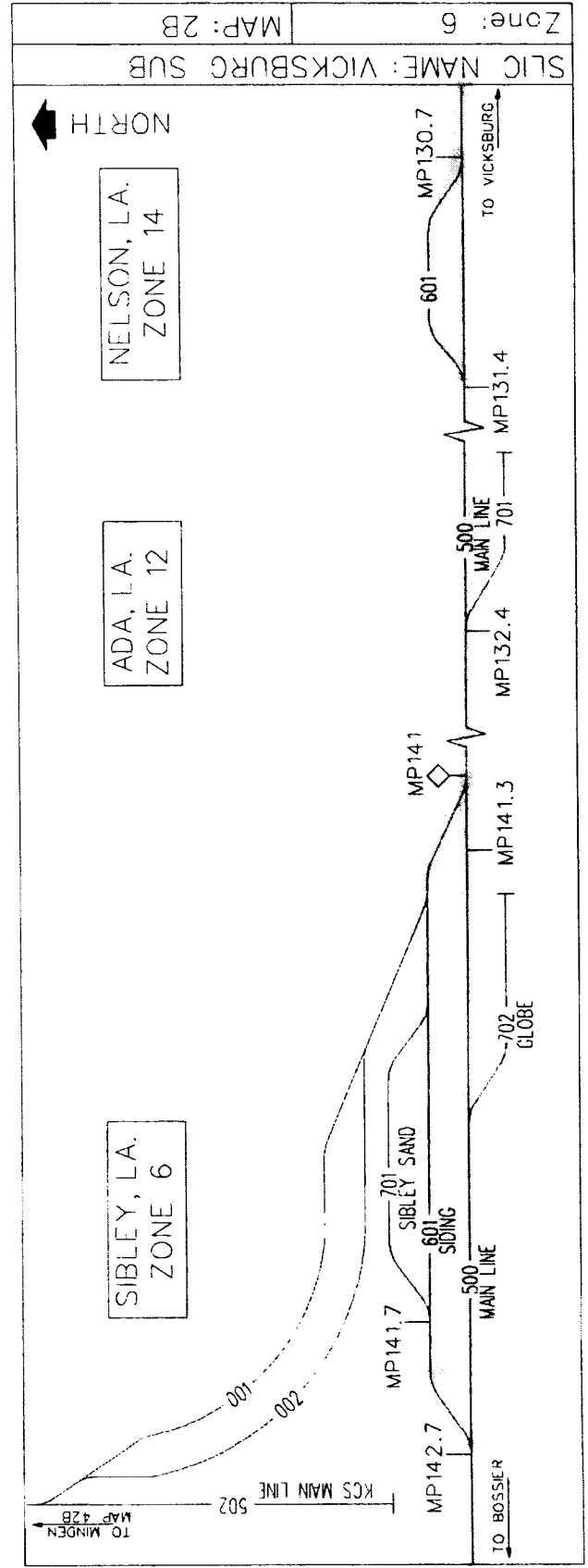
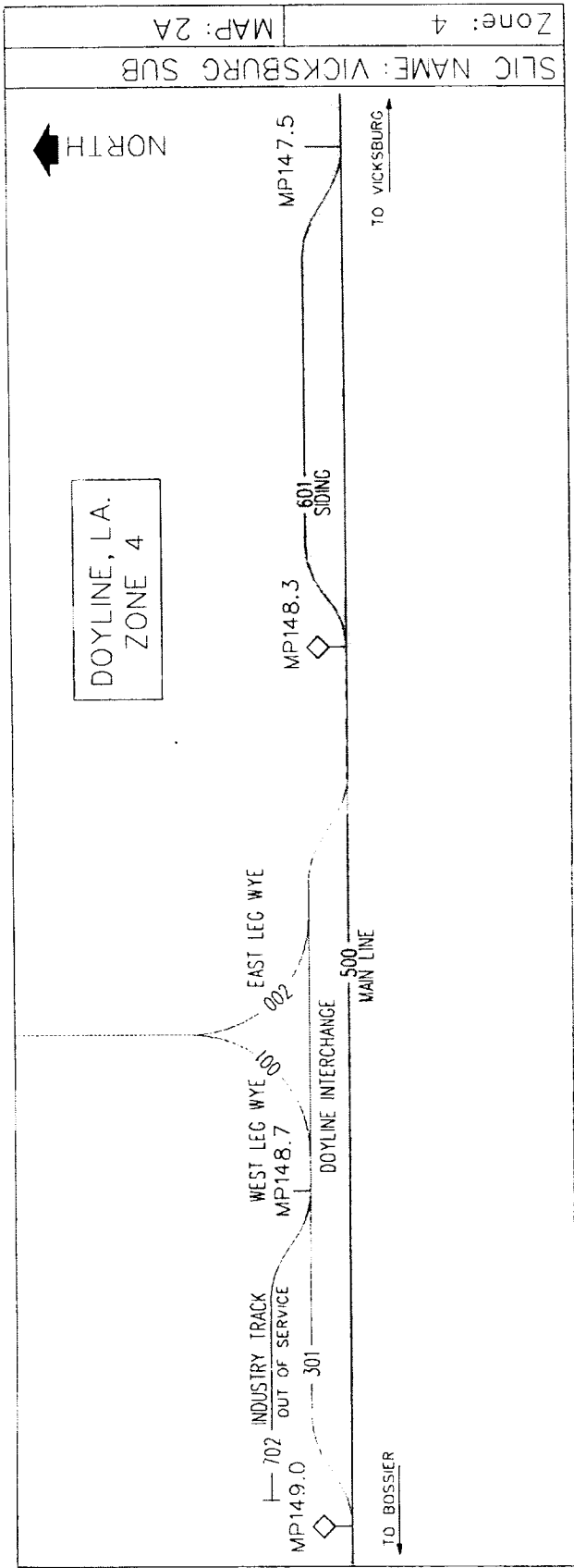
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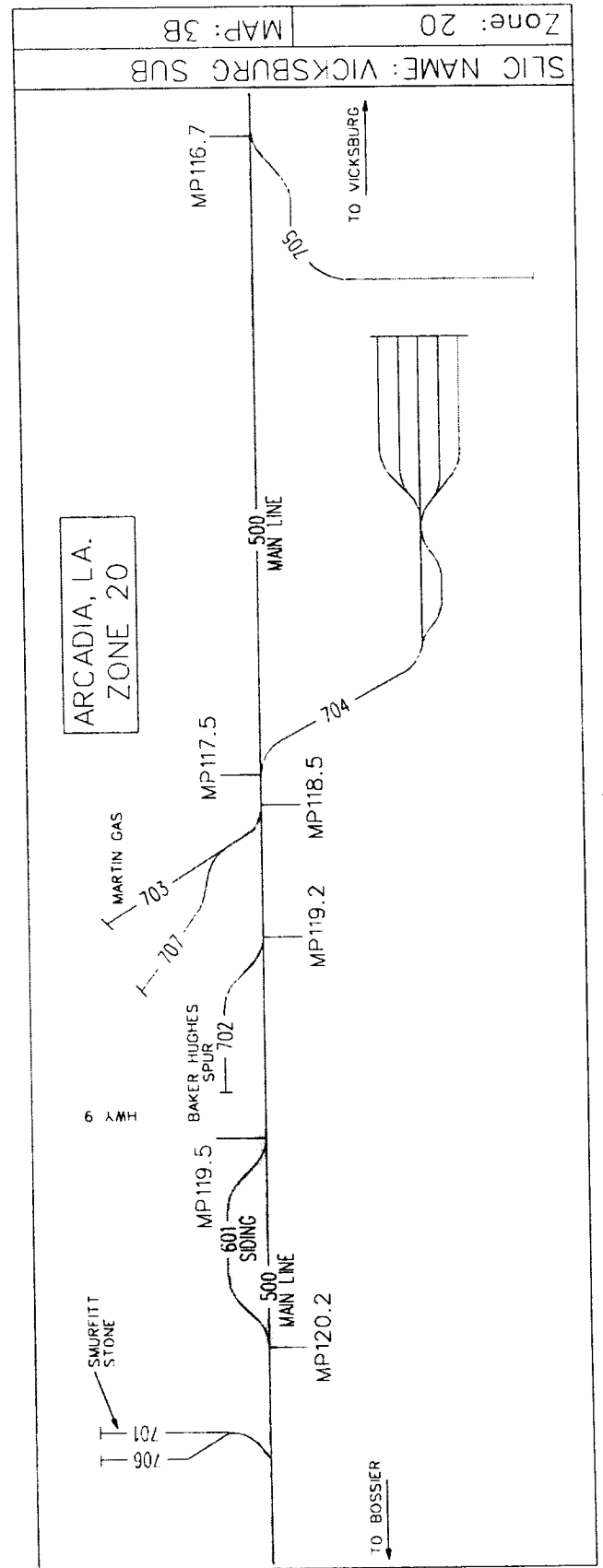
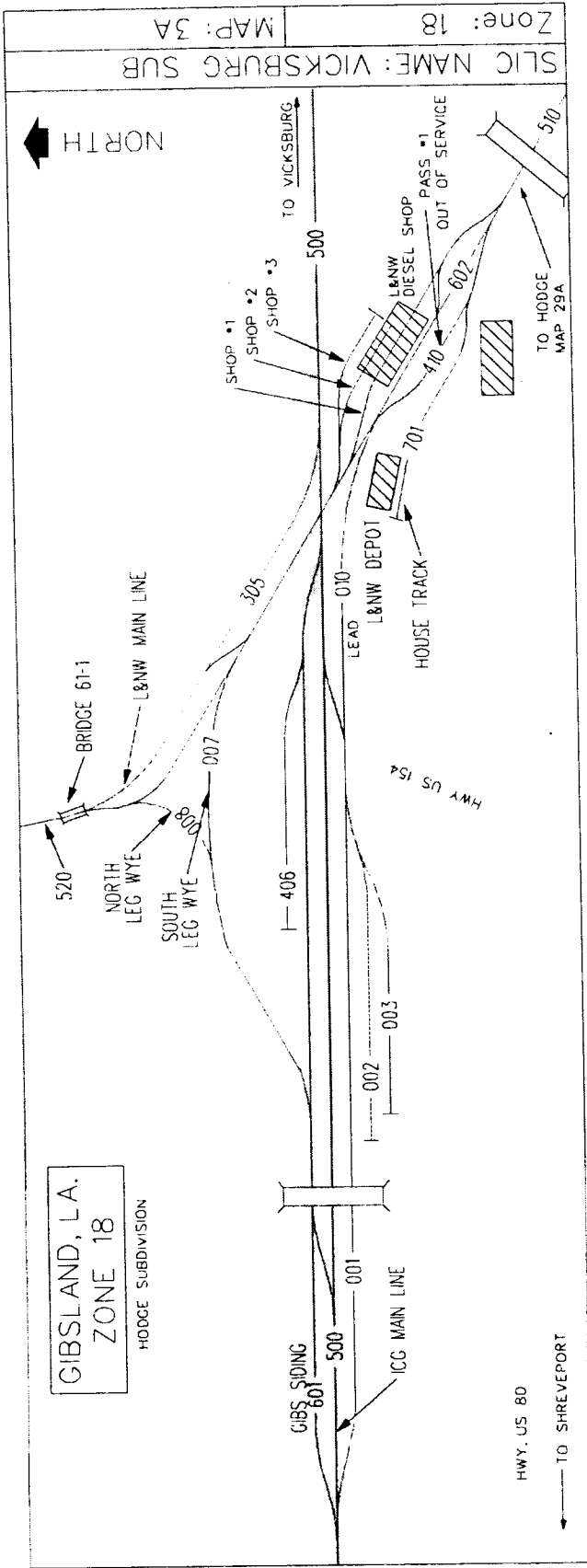
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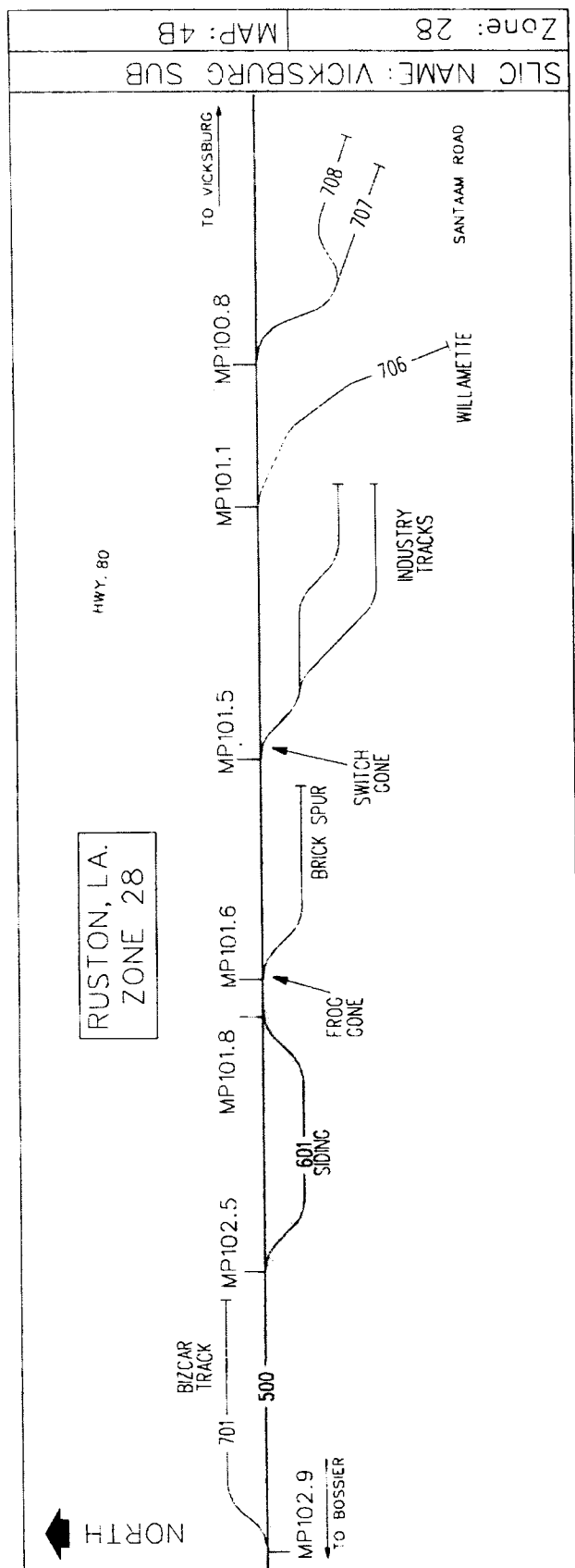
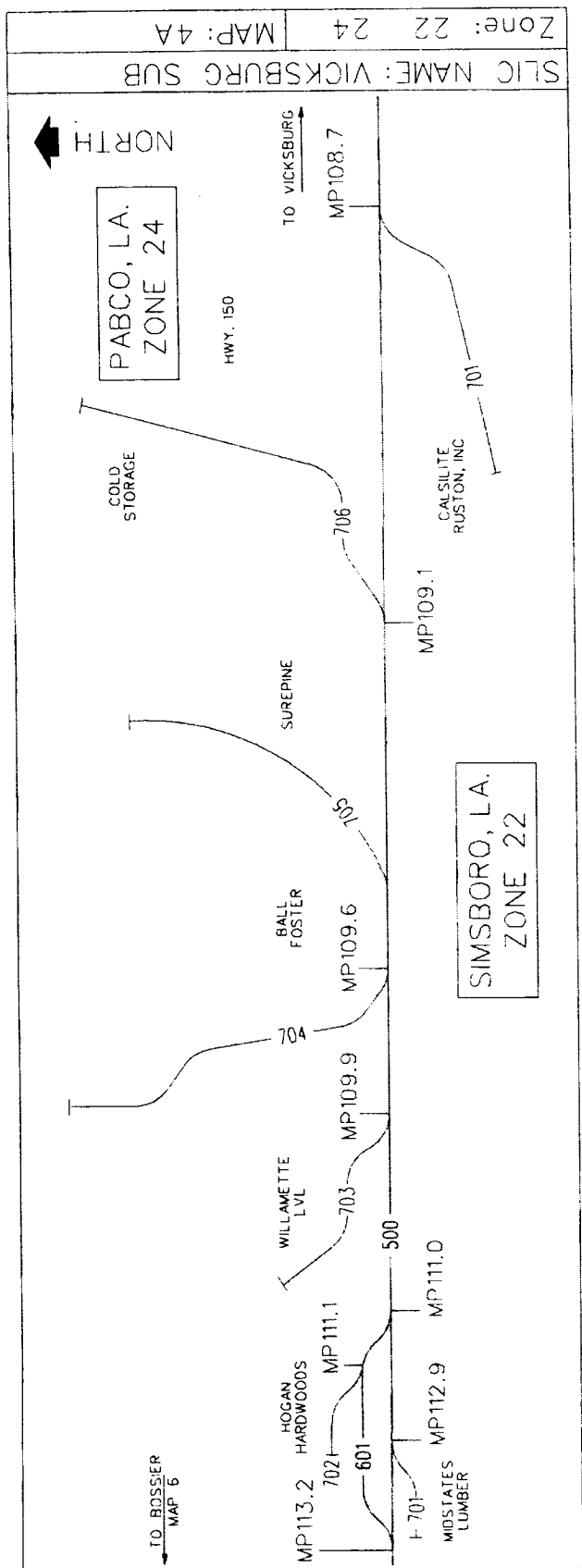
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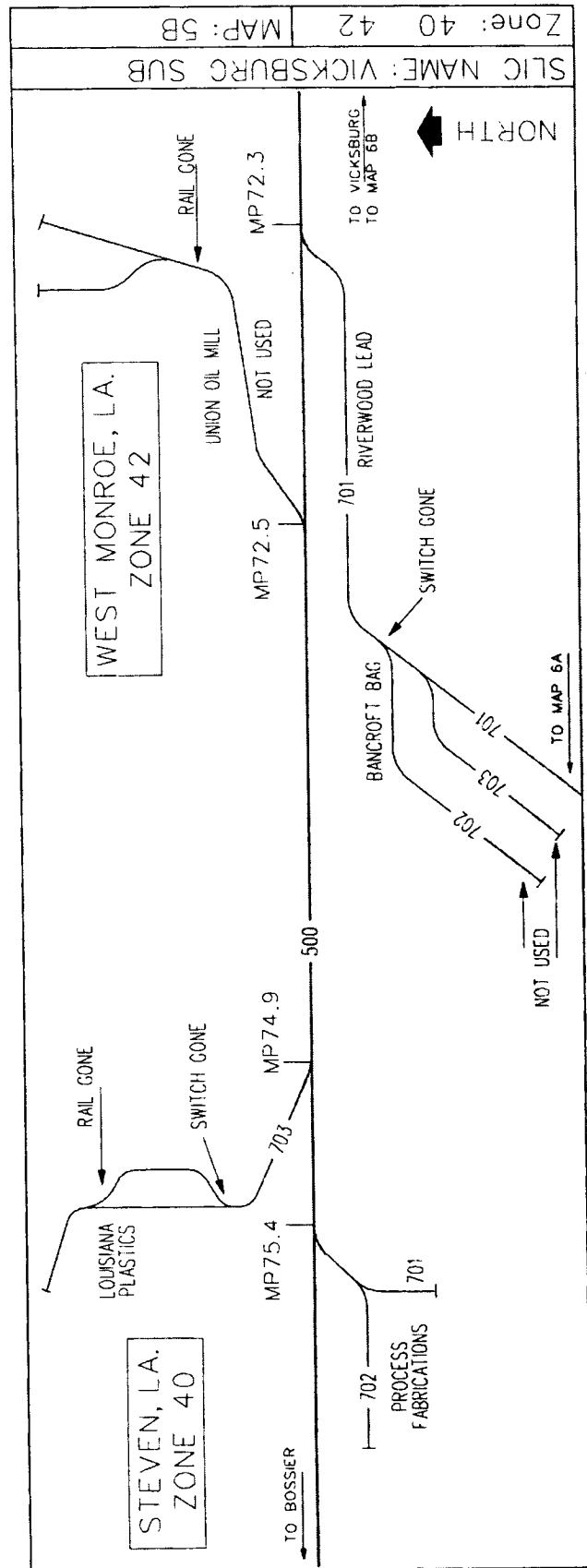
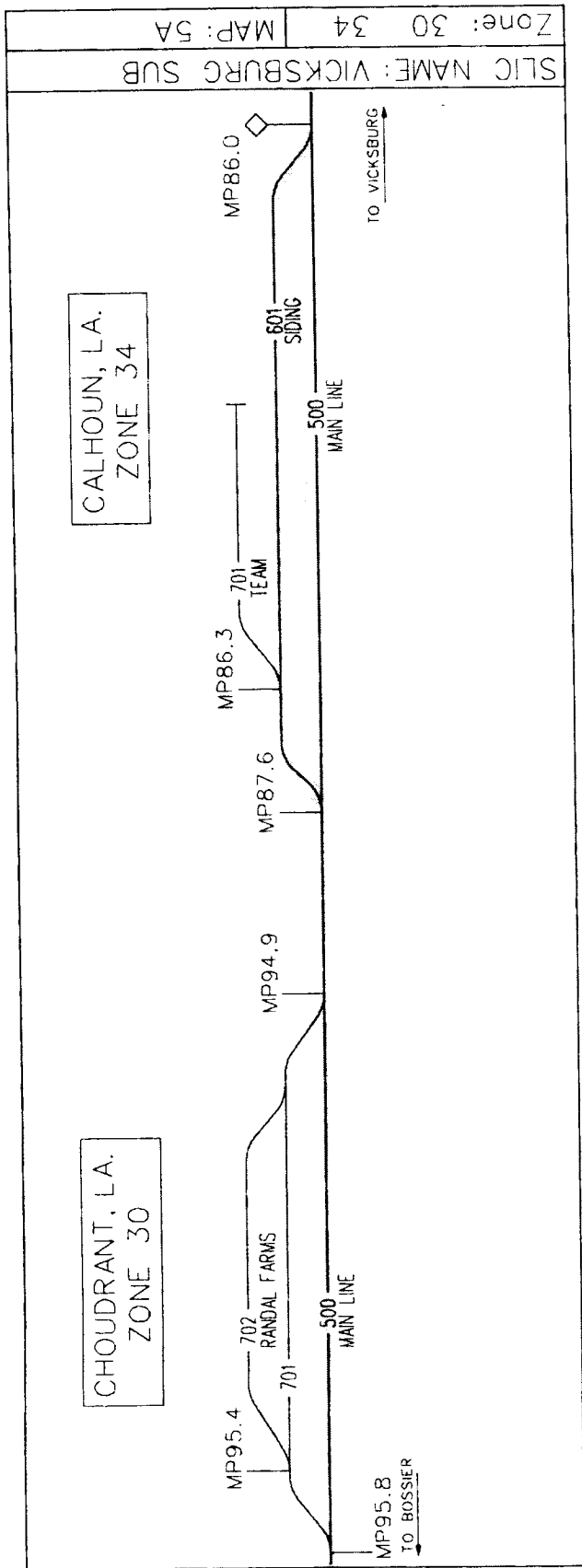
OCTOBER 31, 2001

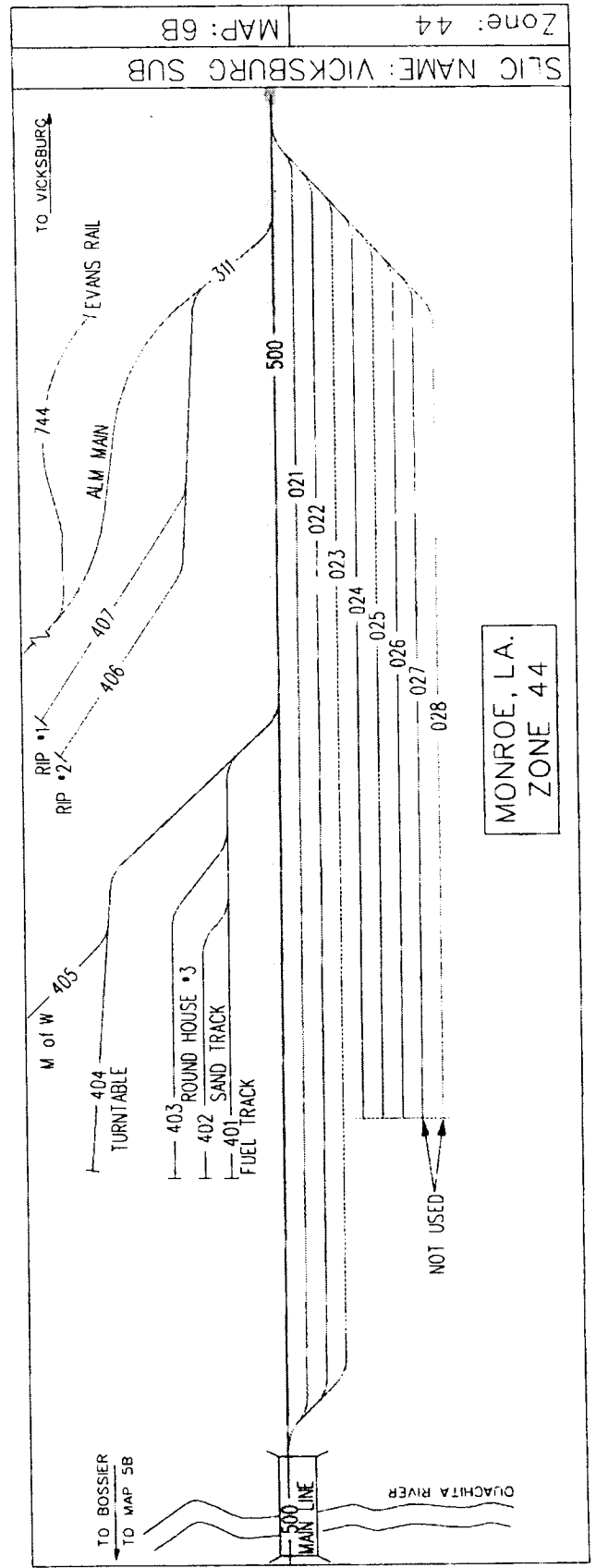
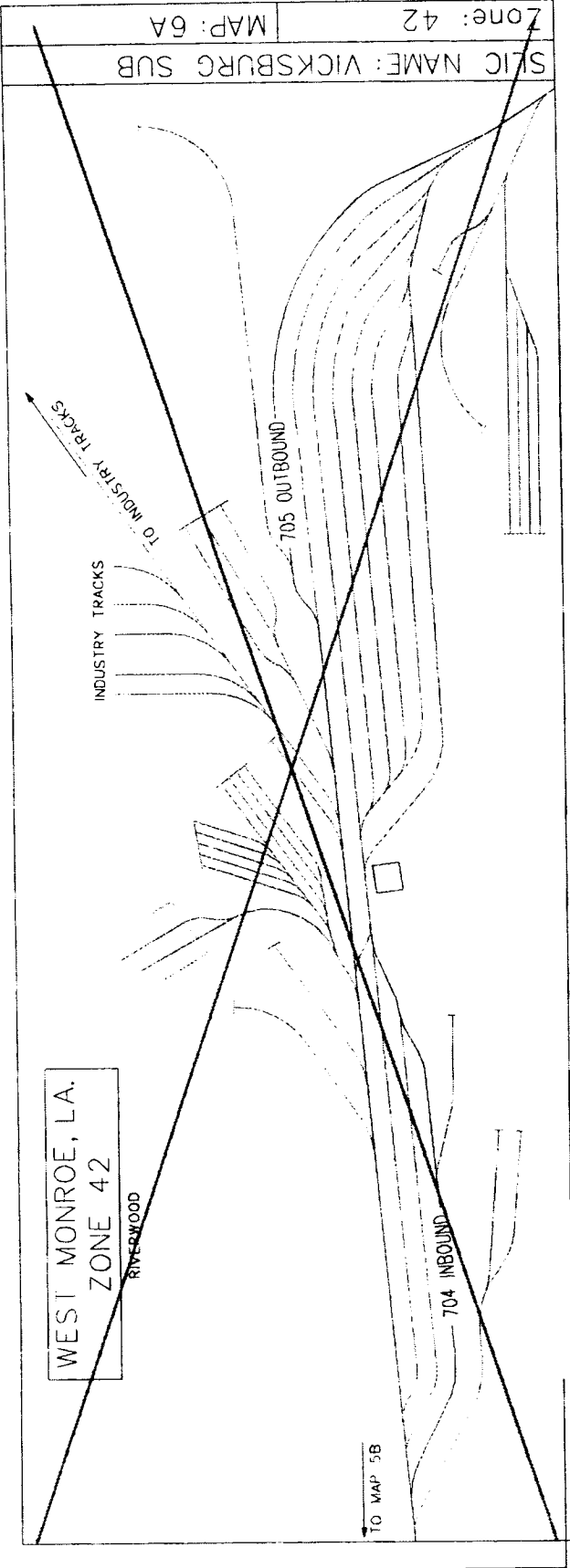


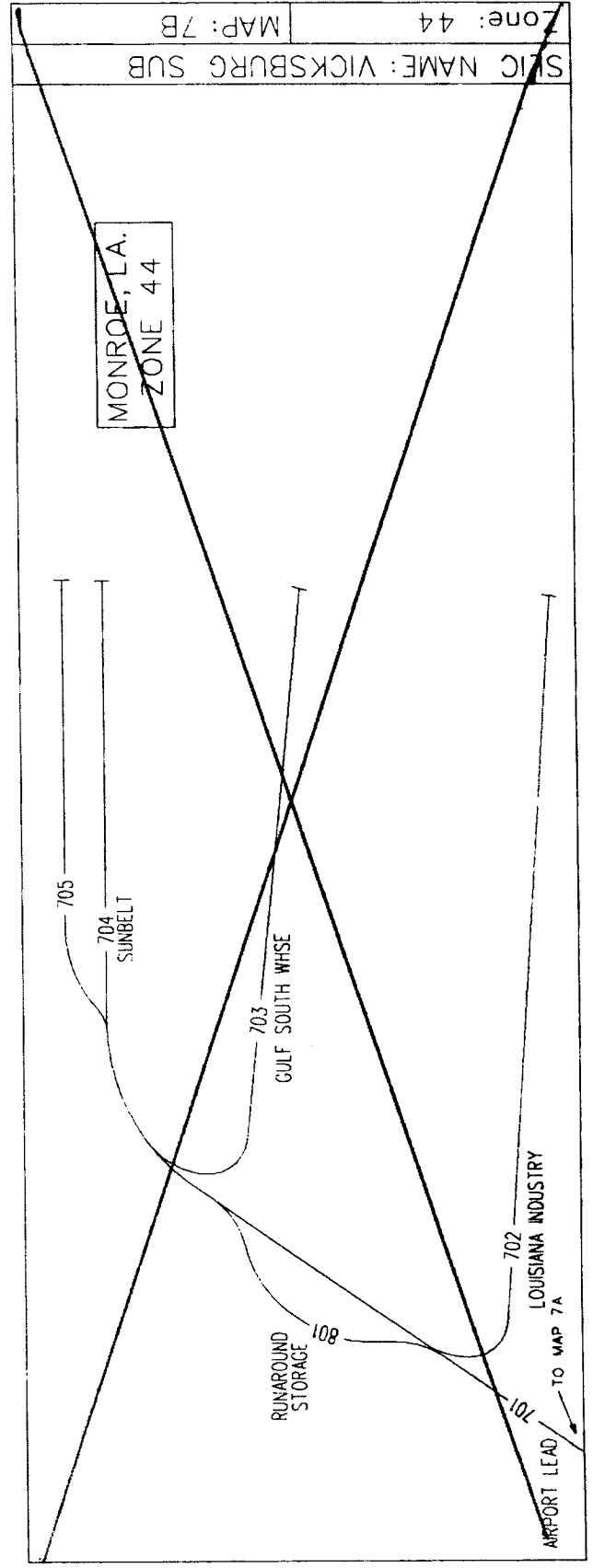
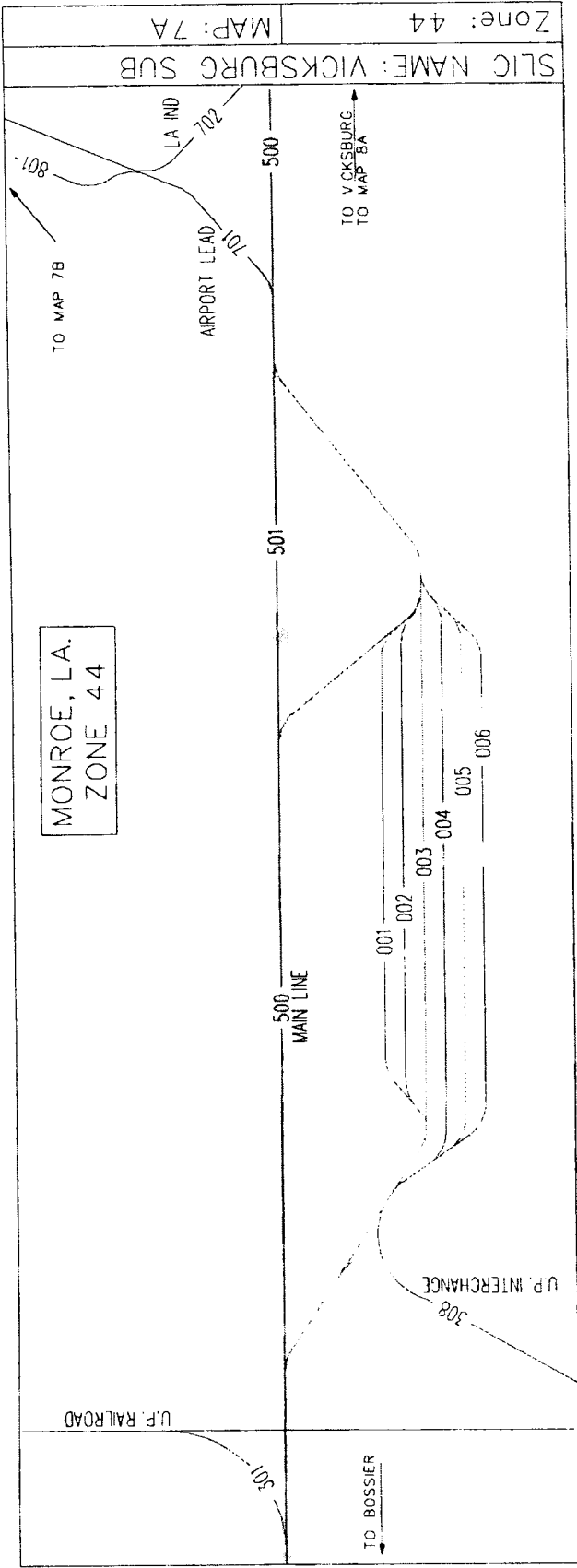


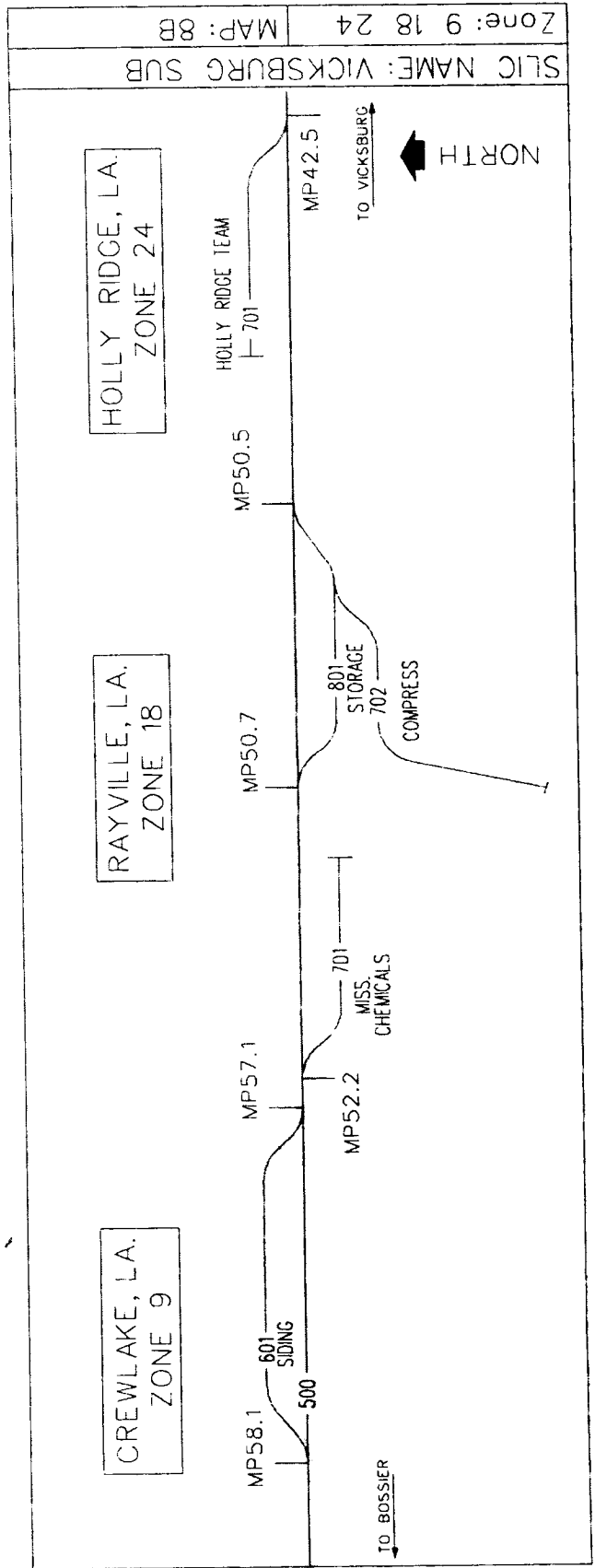
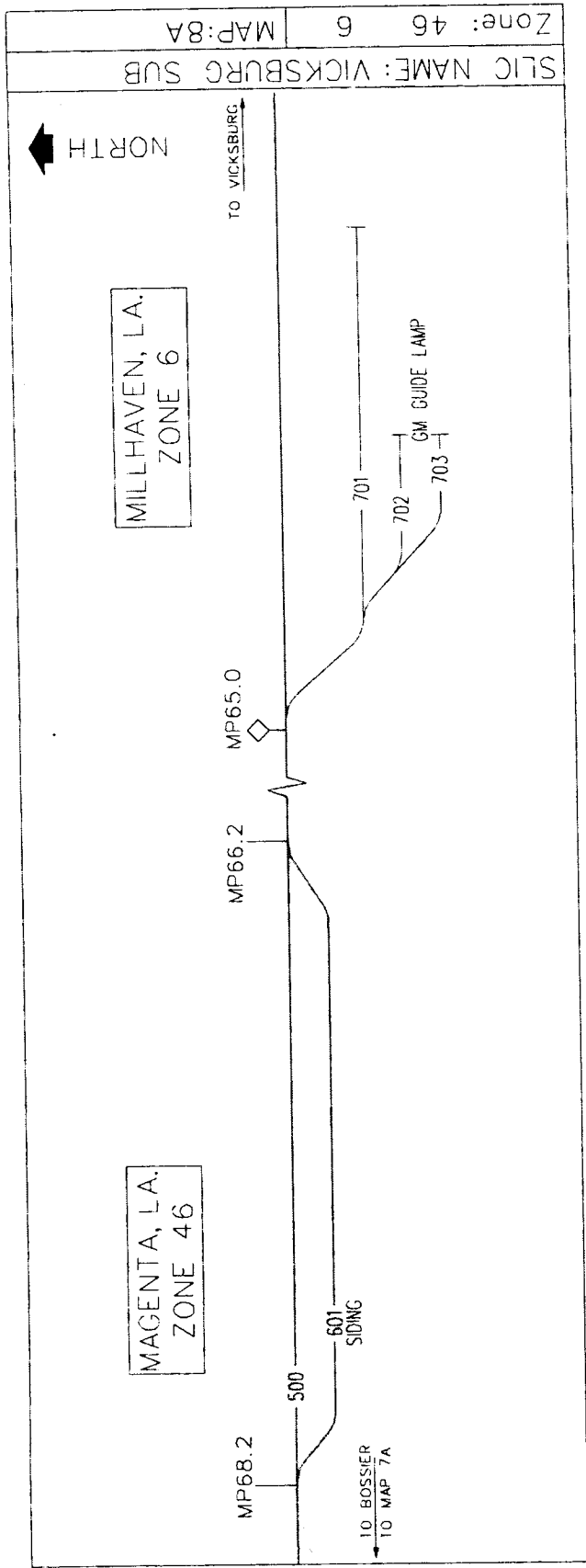


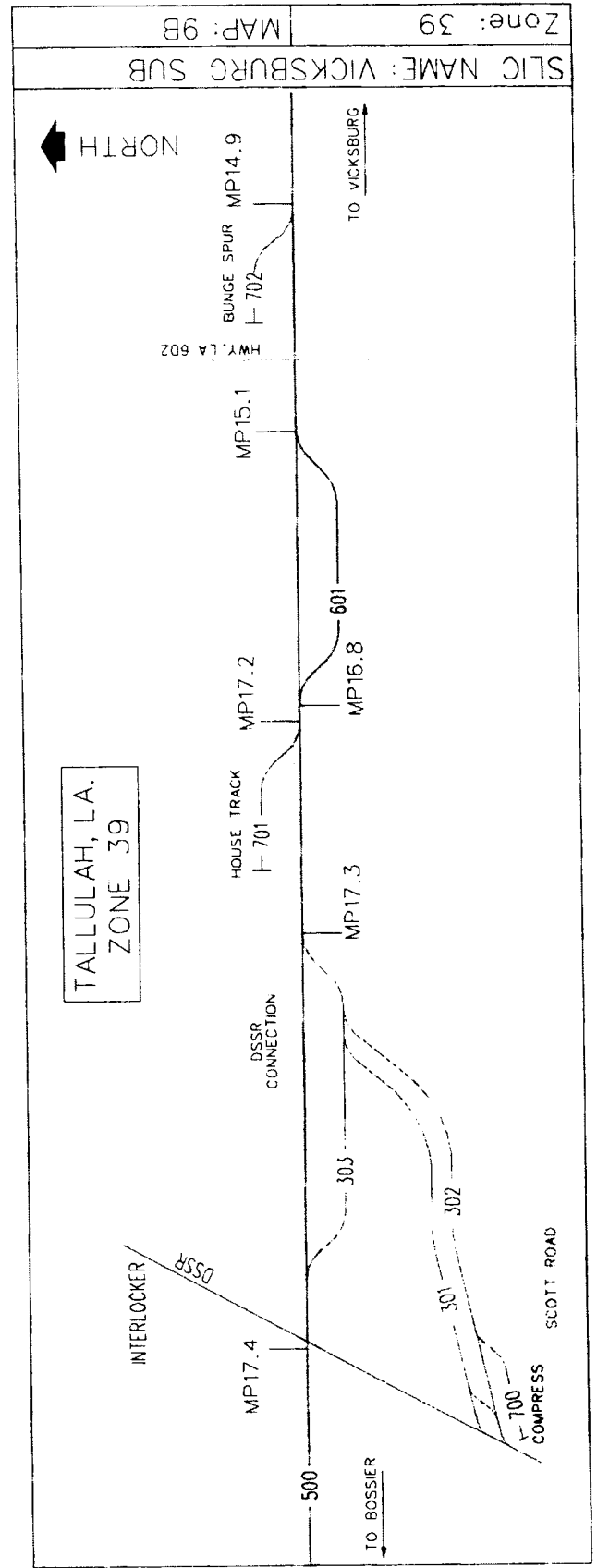
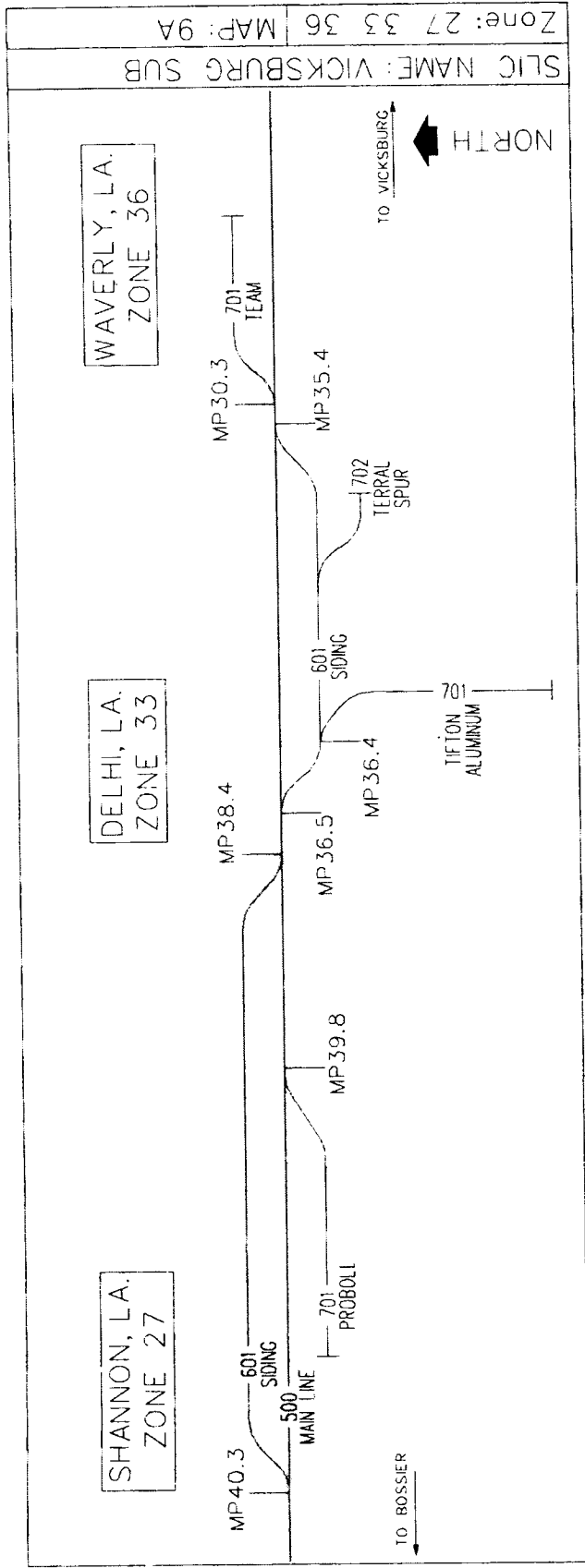


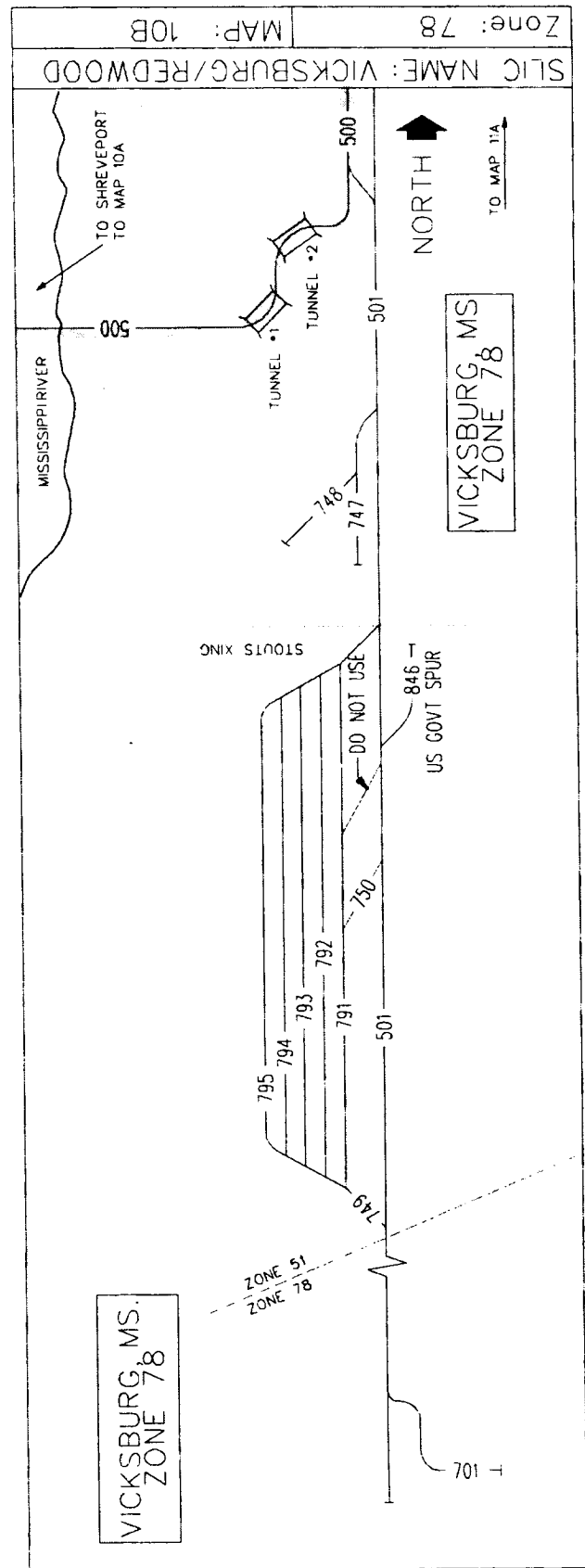
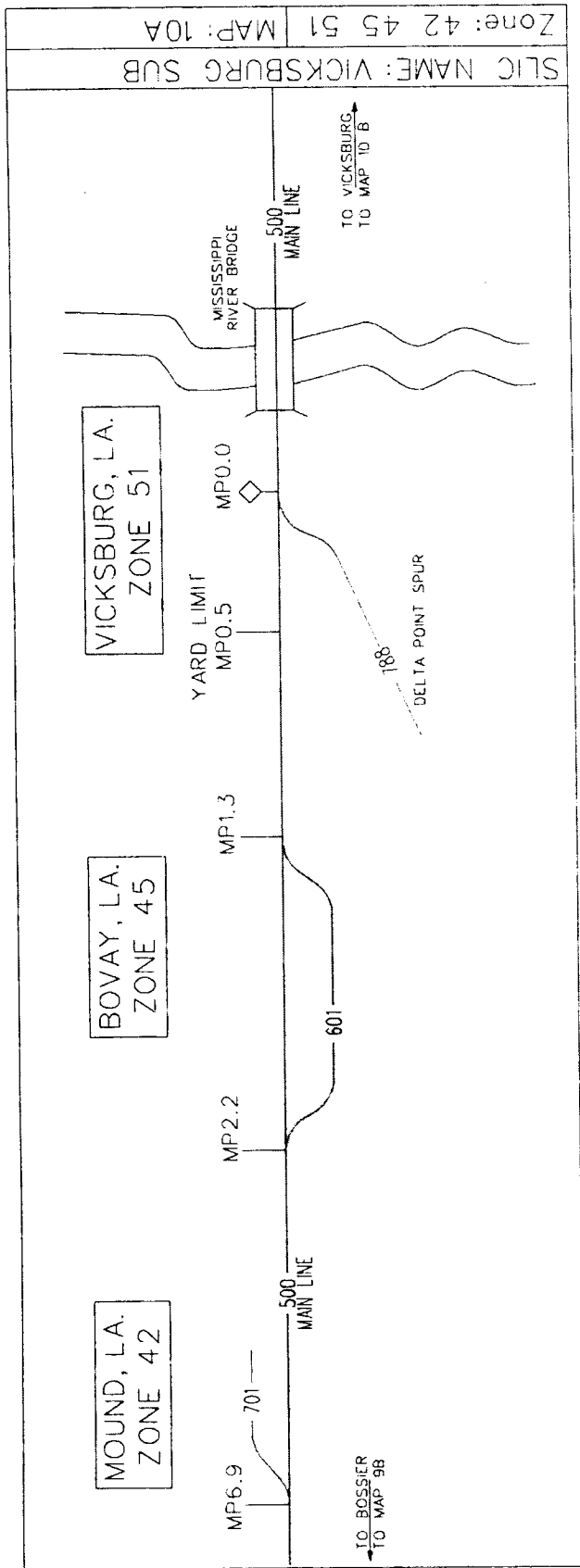


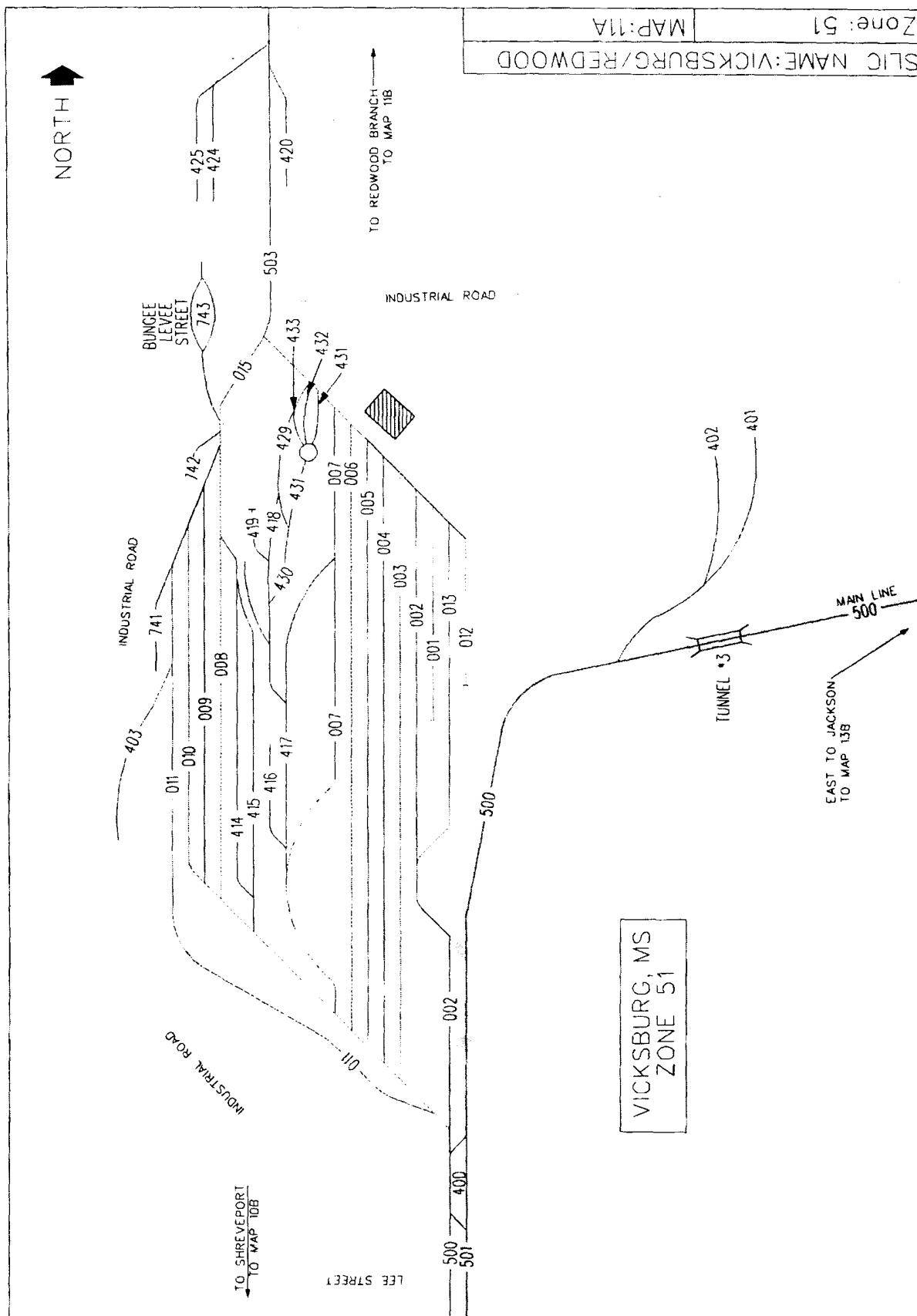


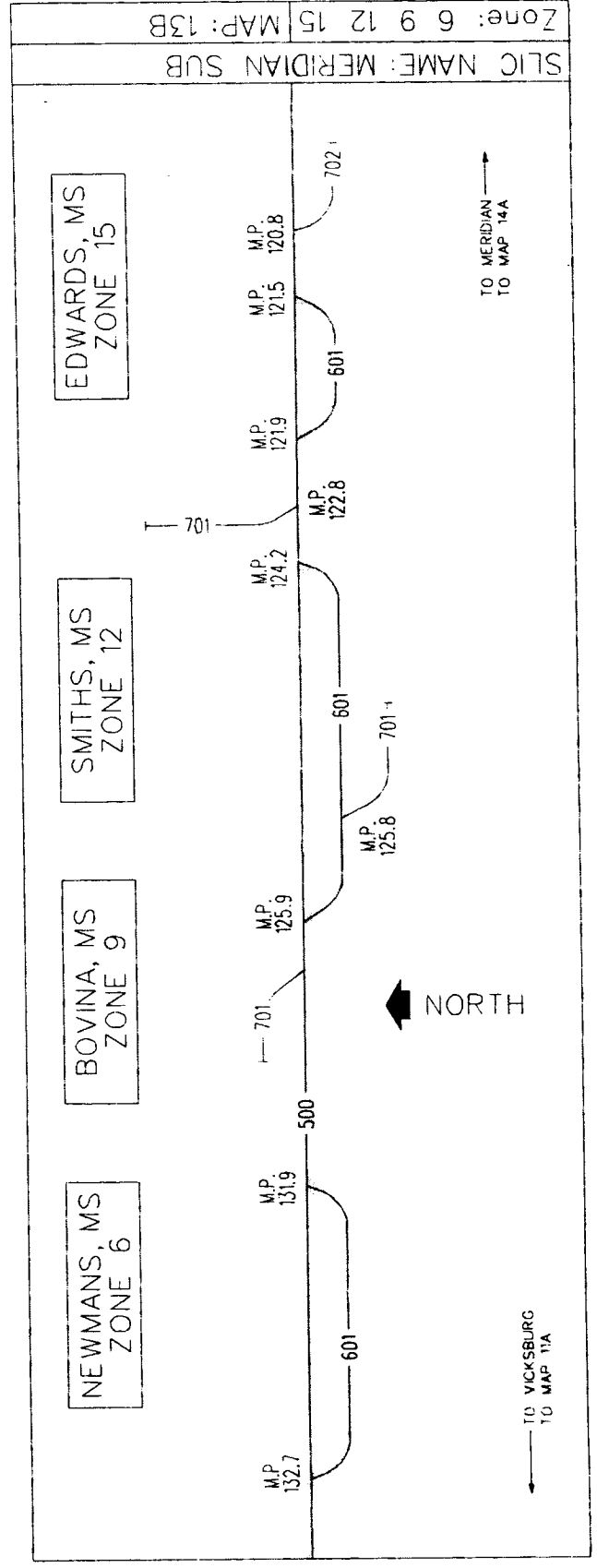
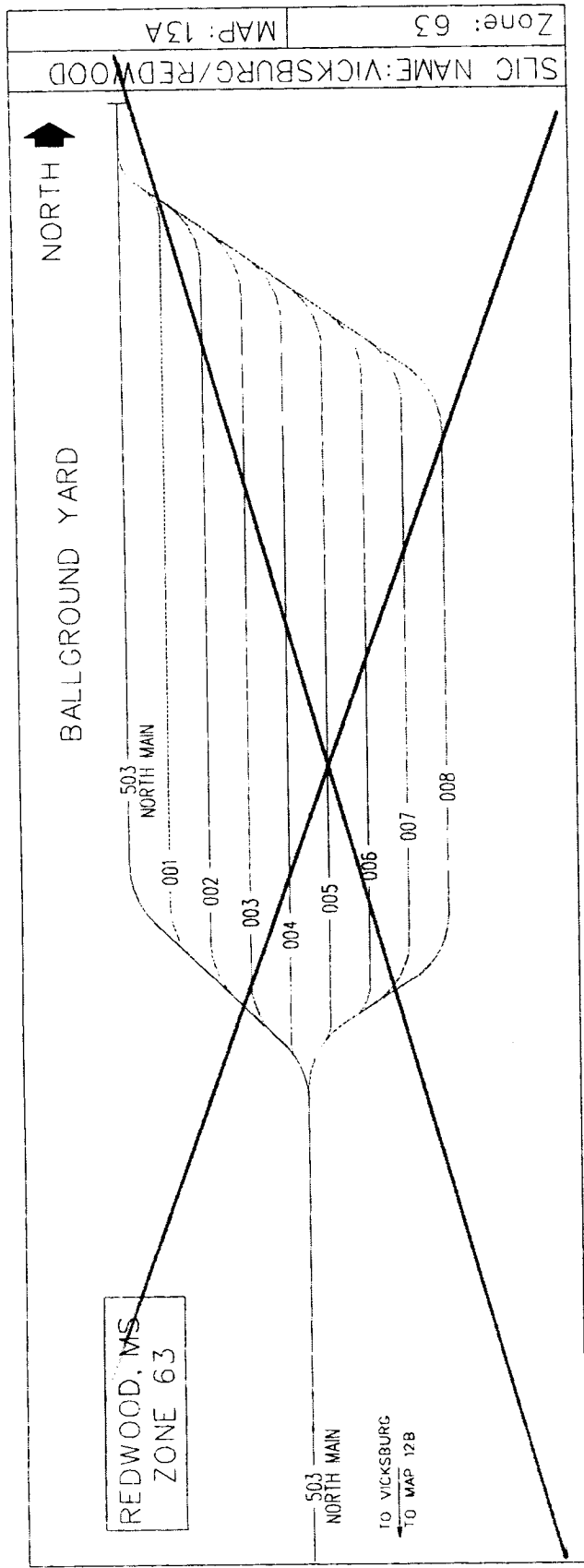


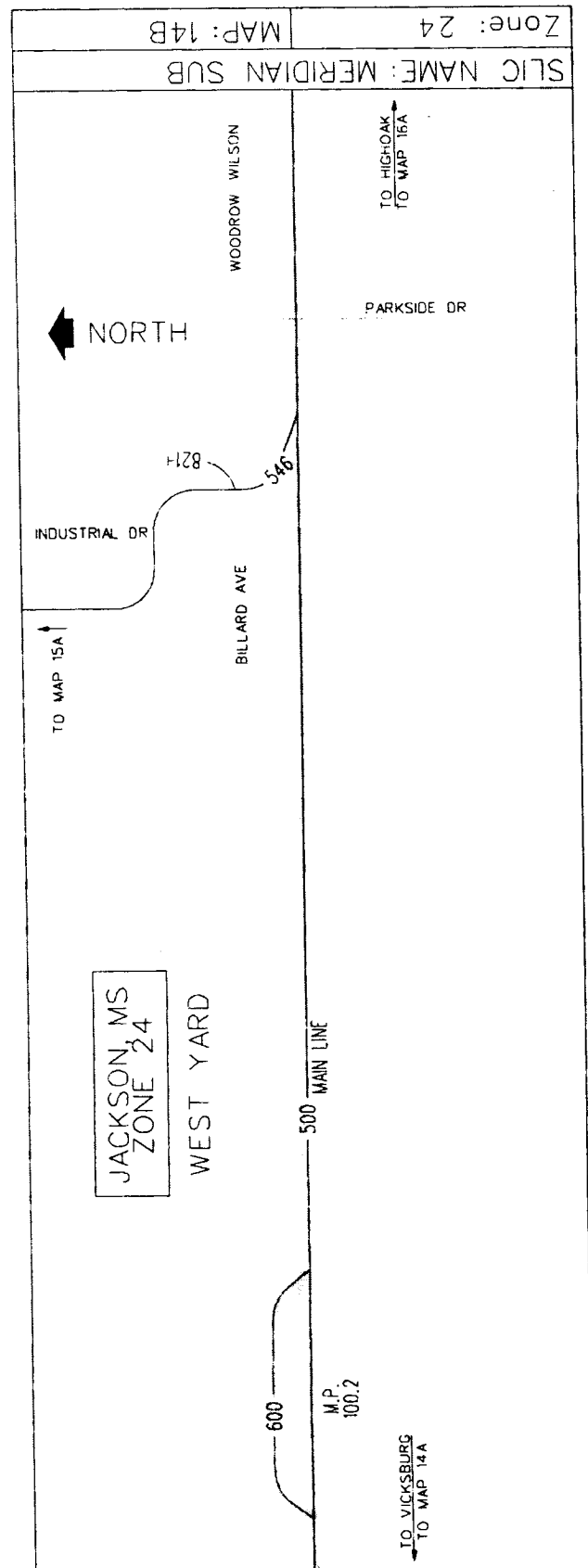
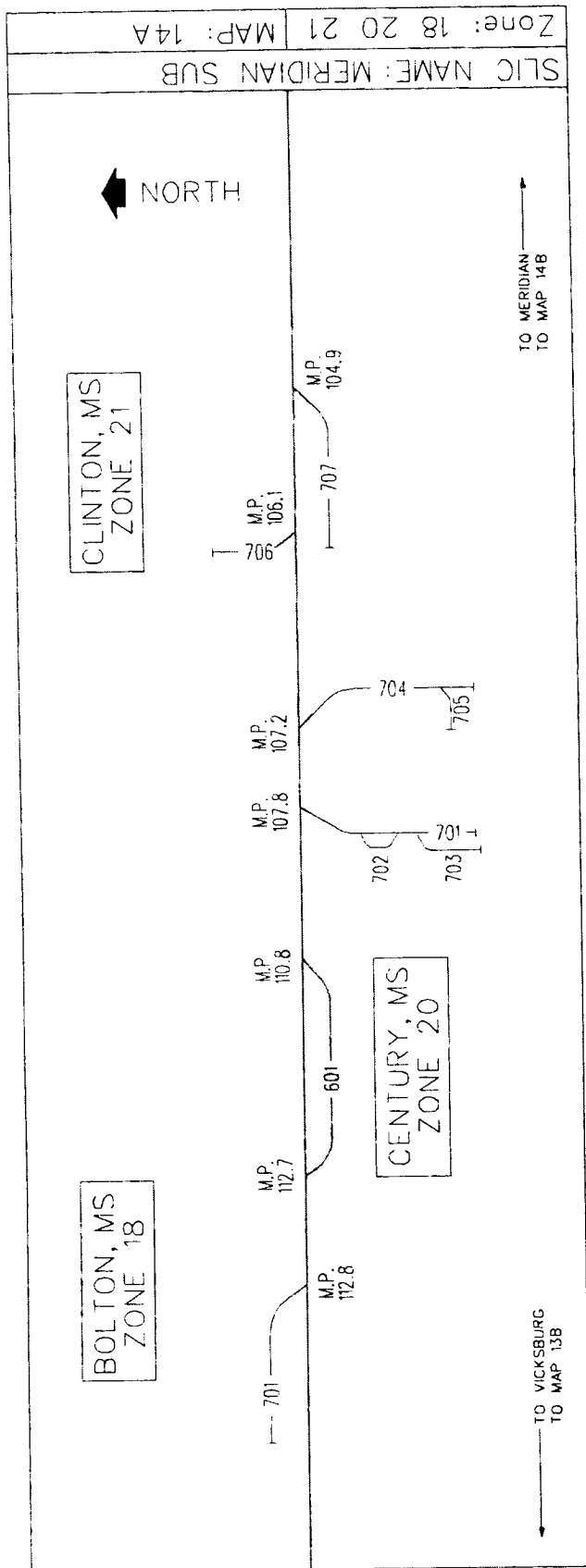


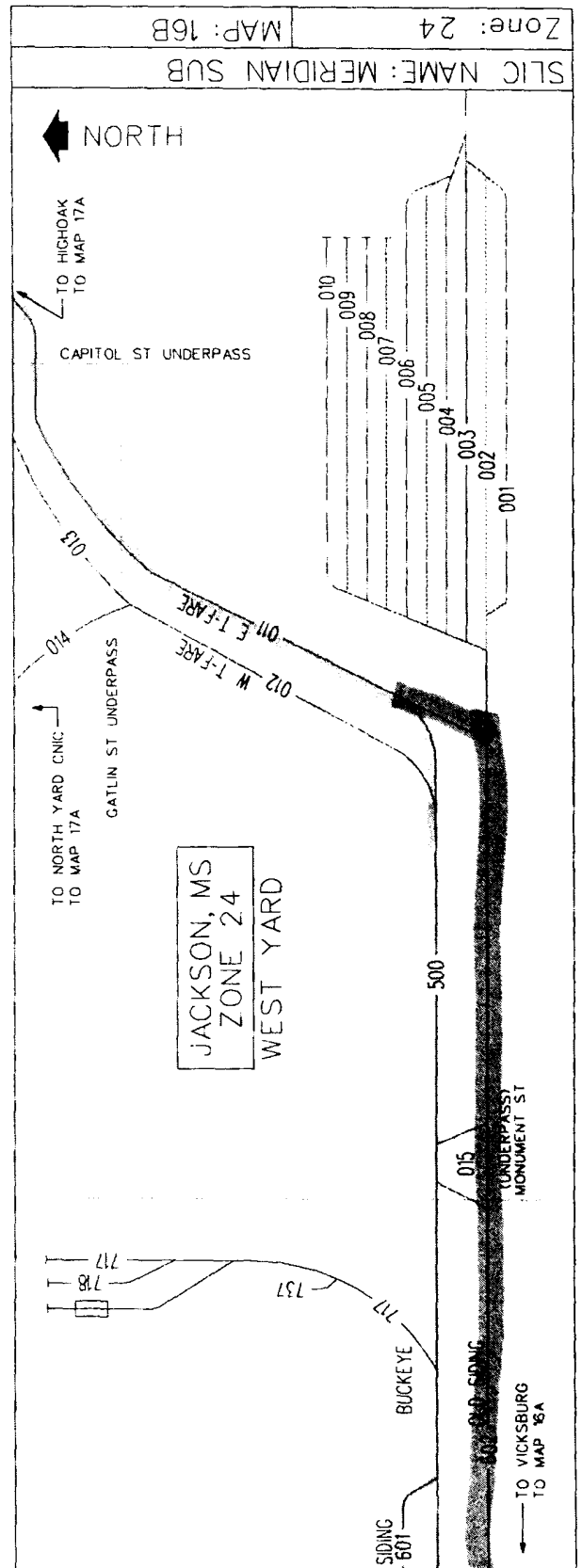
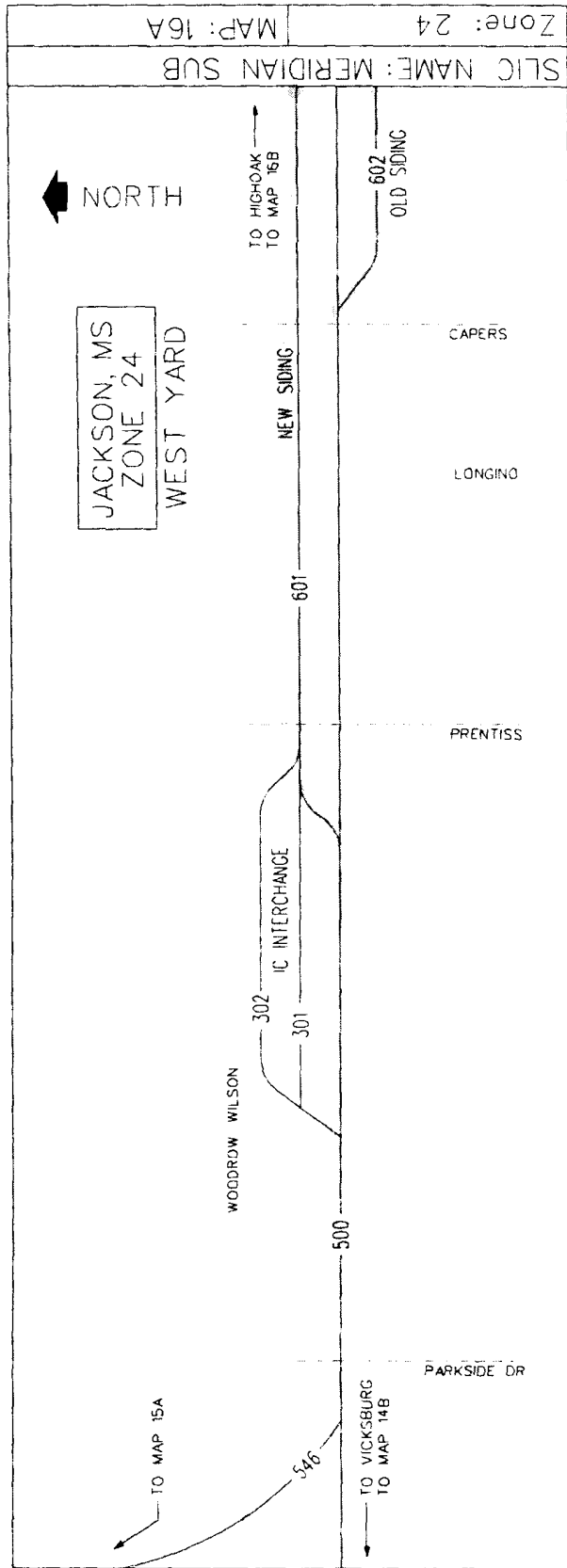


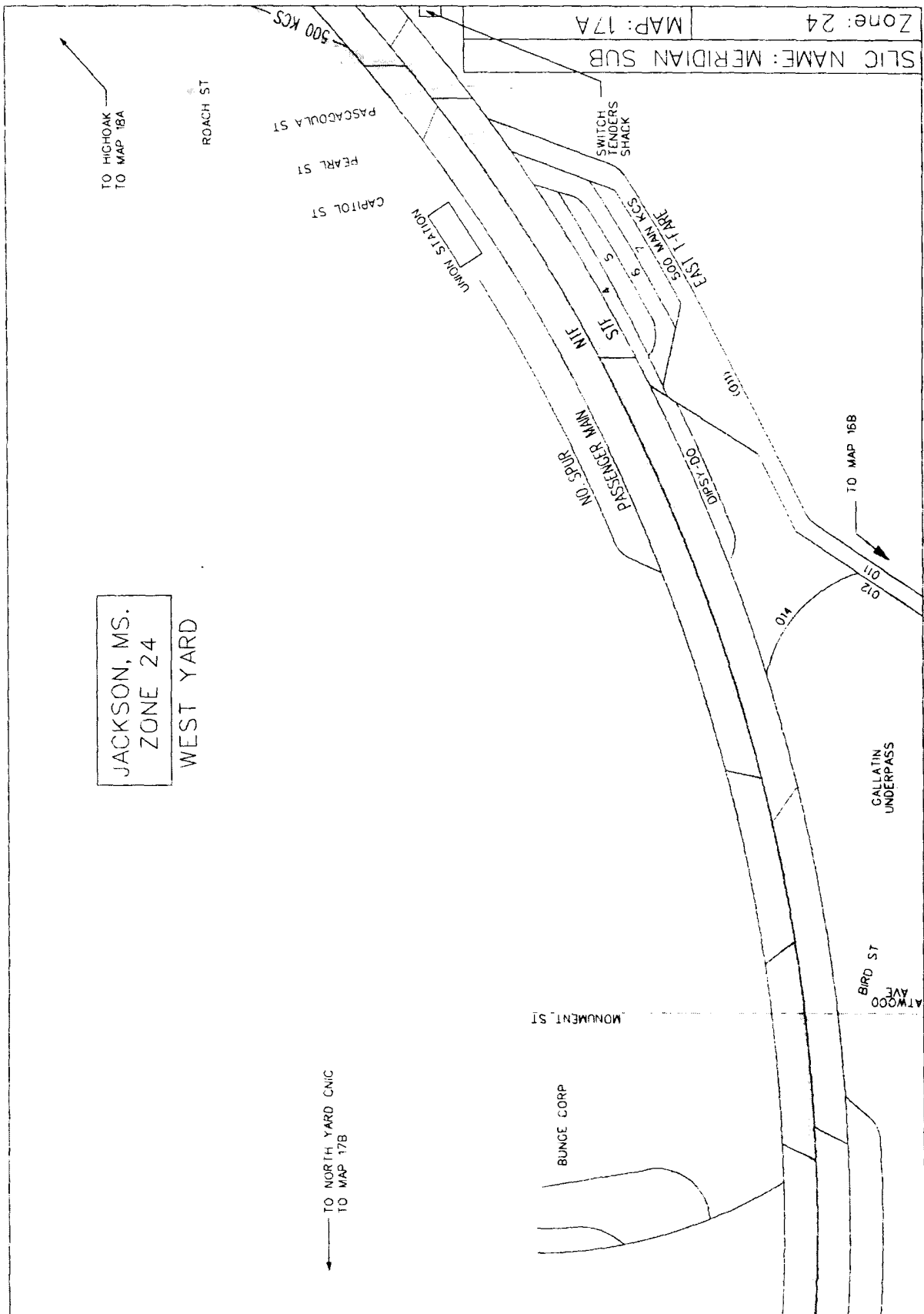


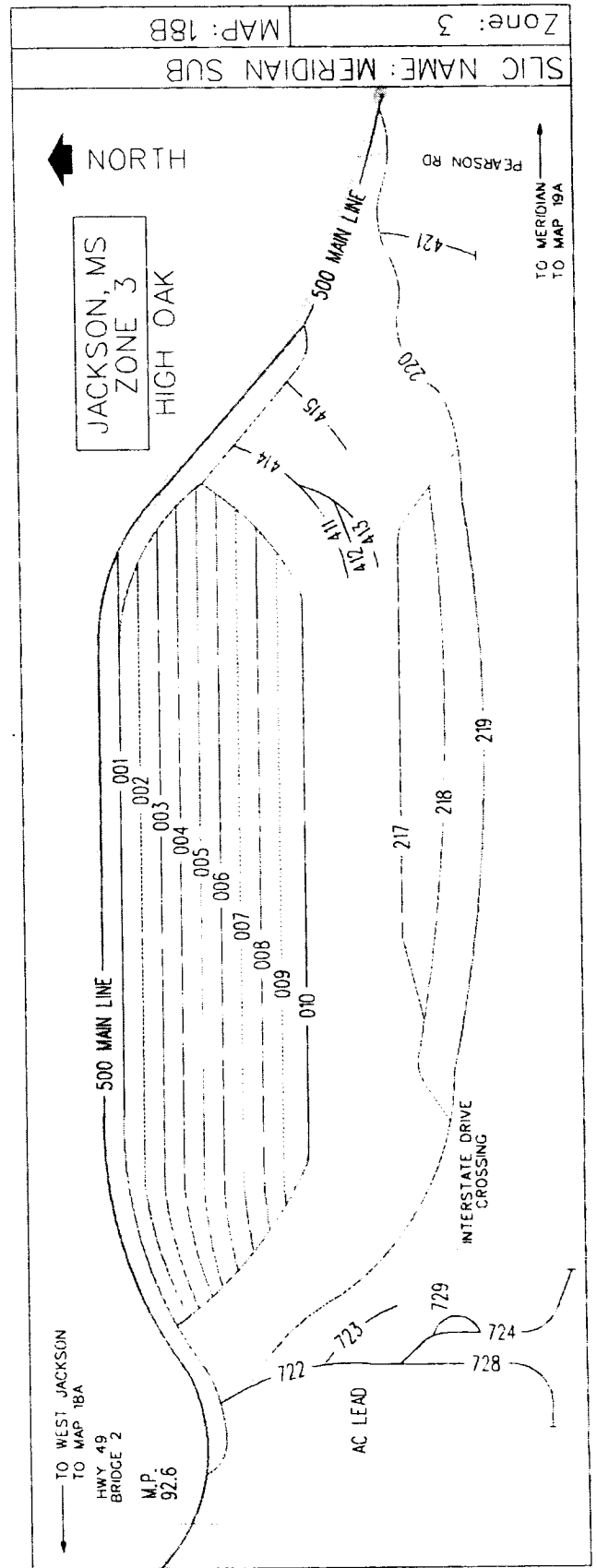
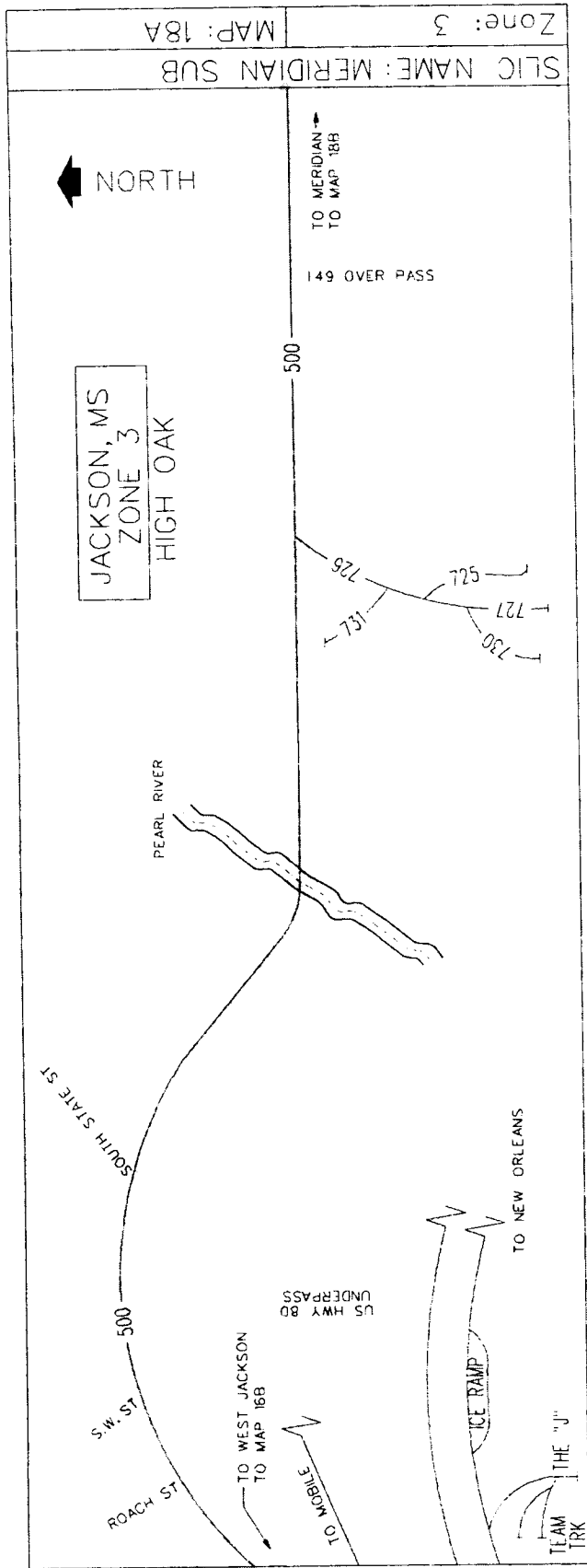


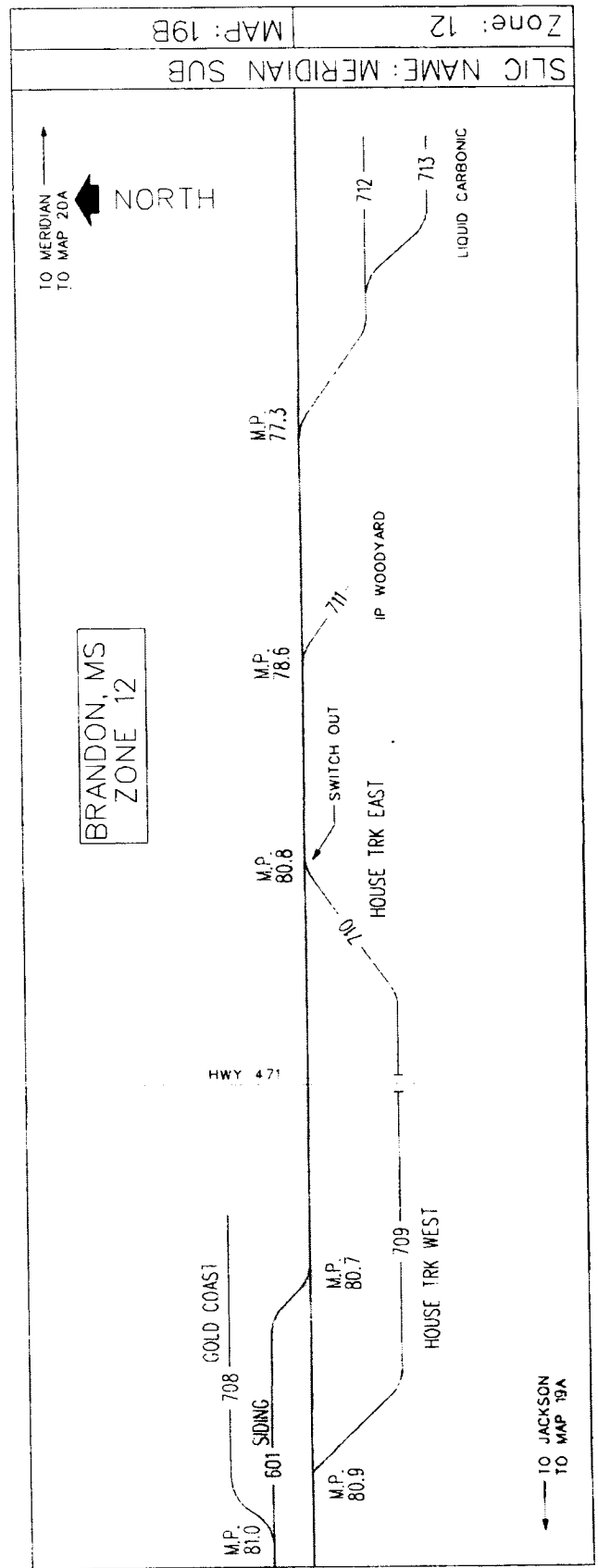
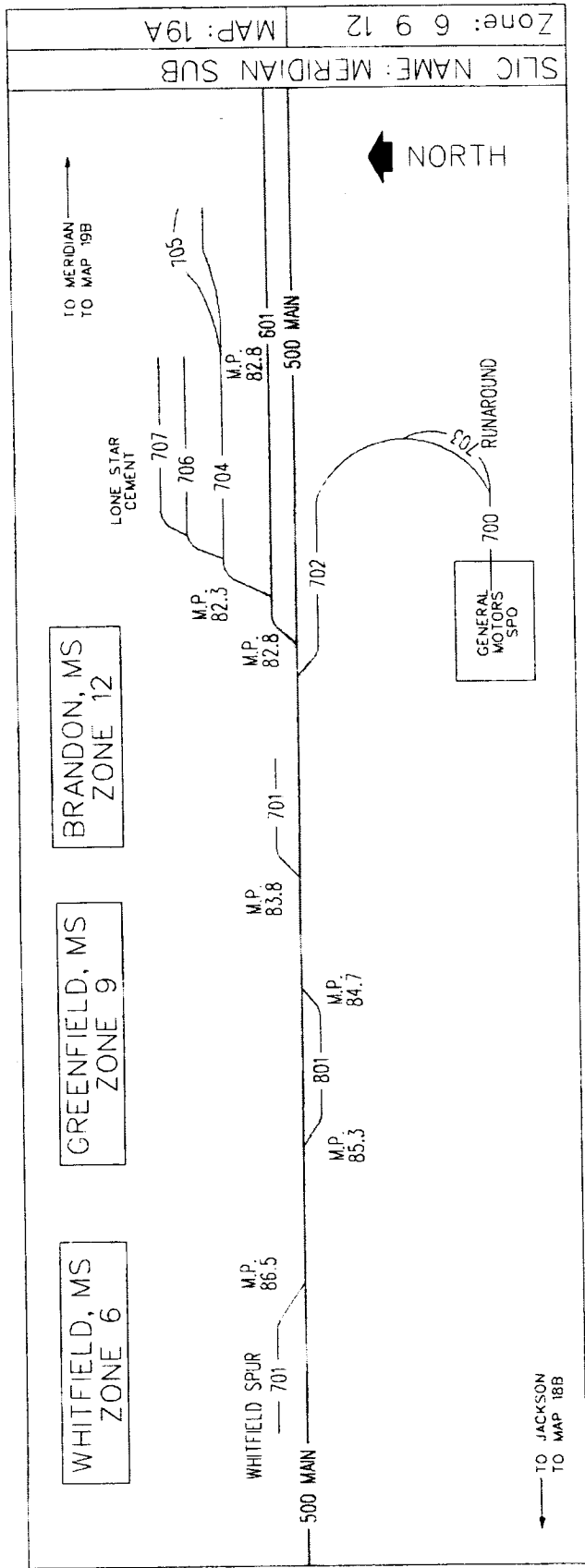


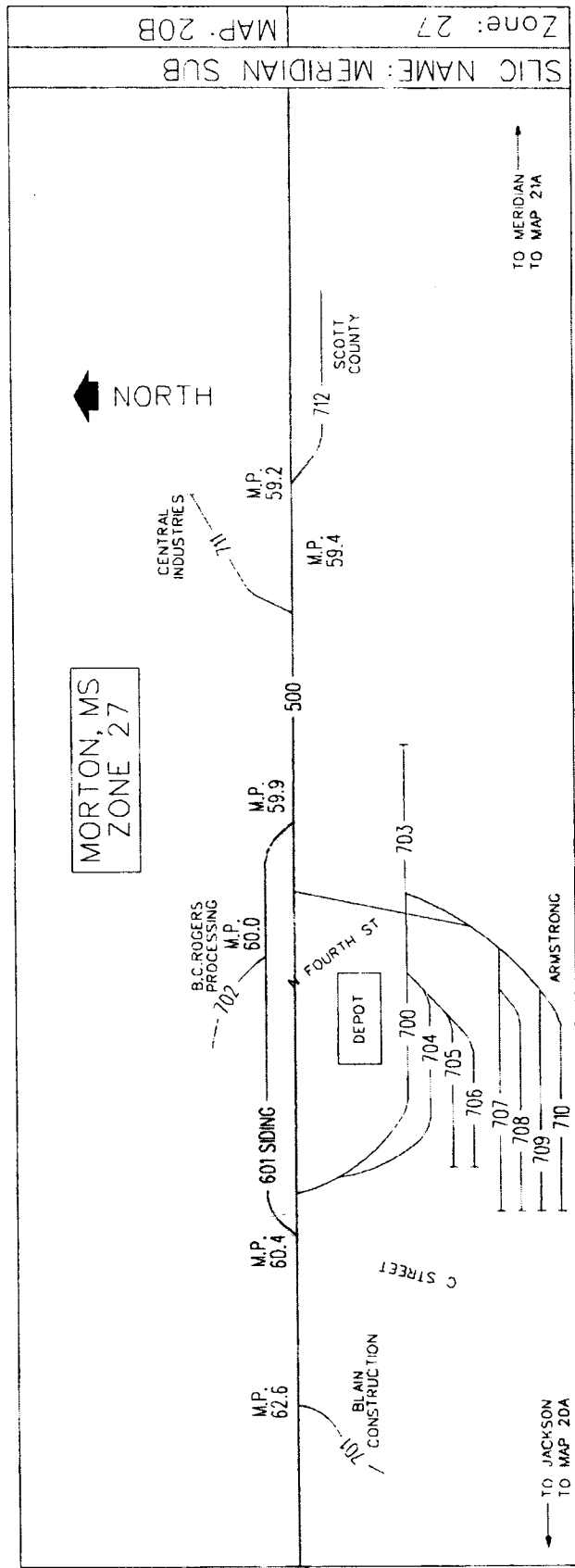
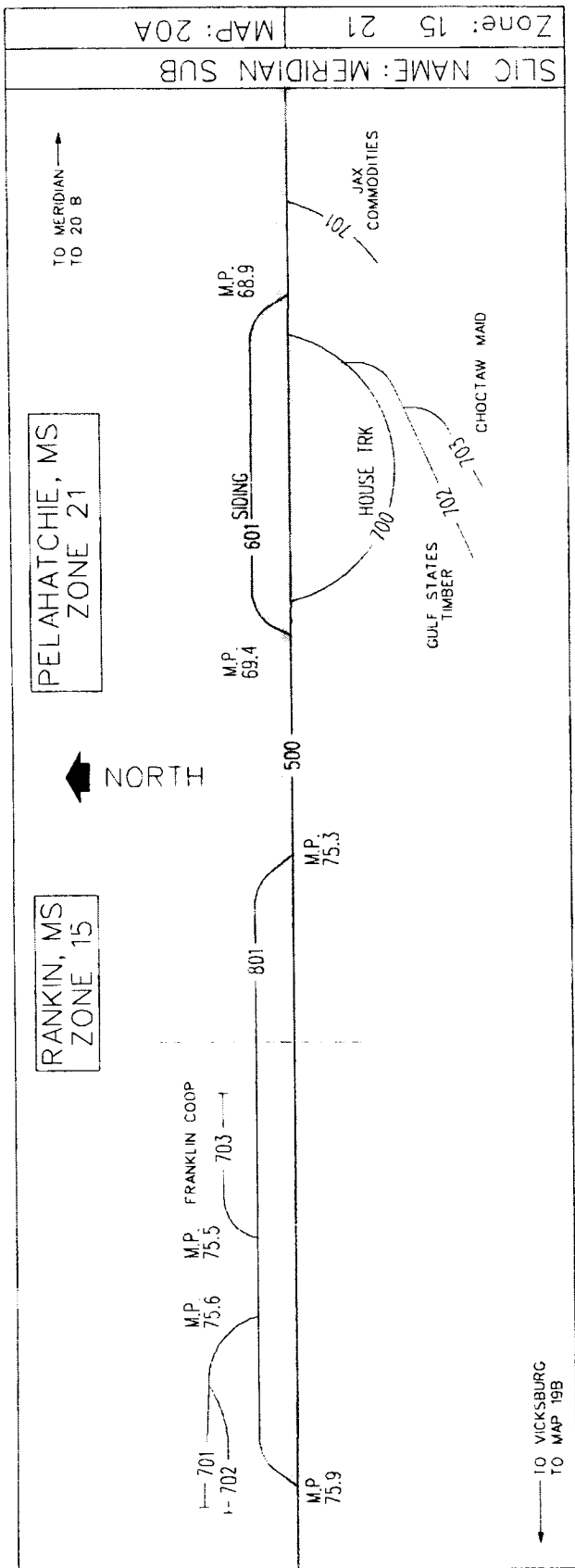


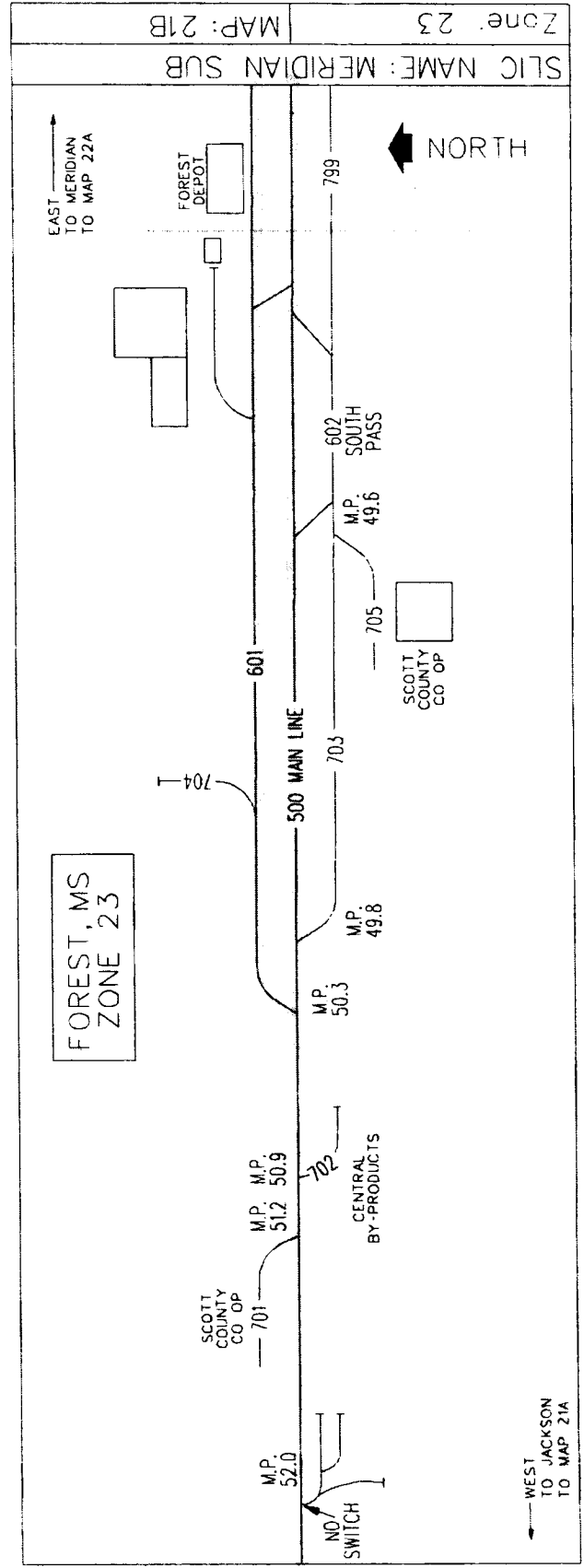
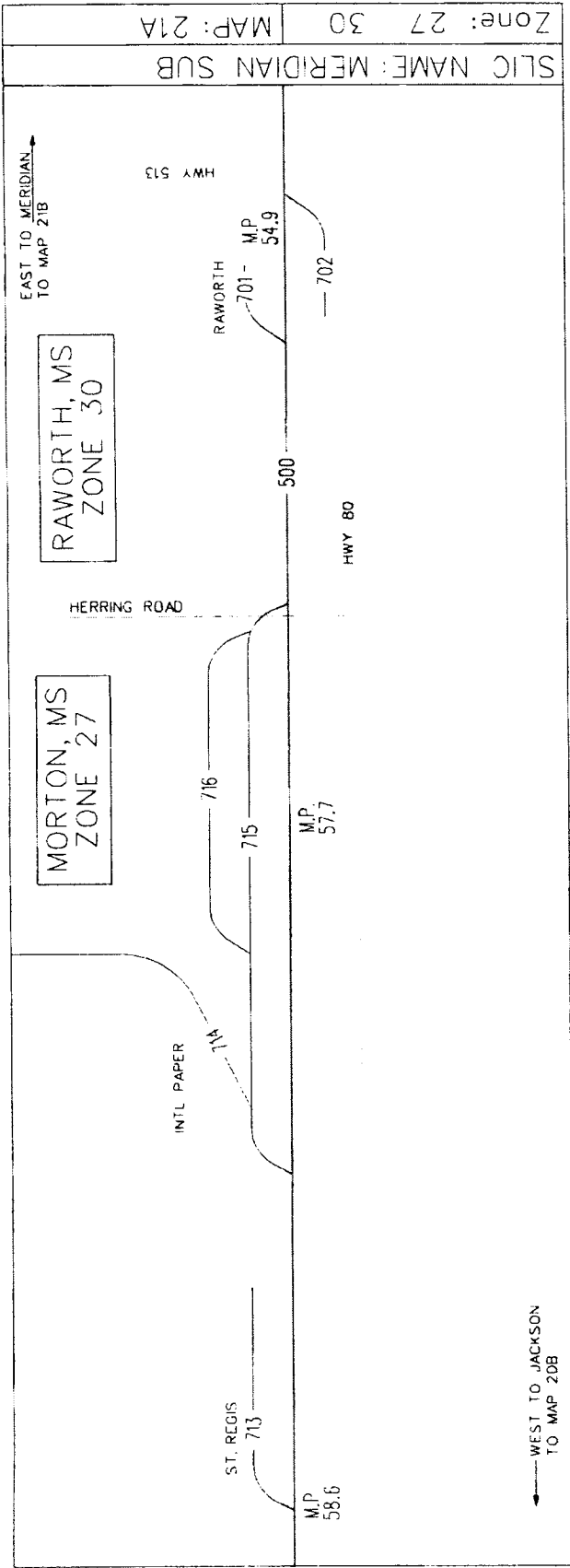


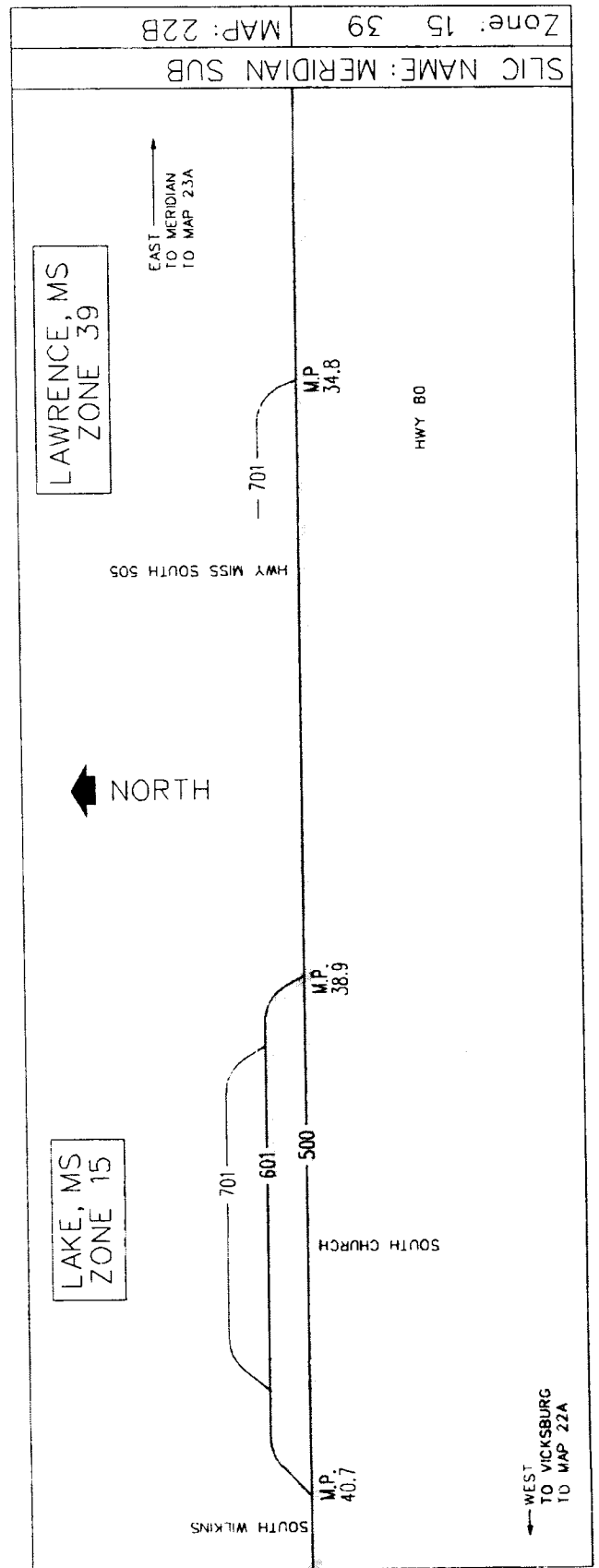
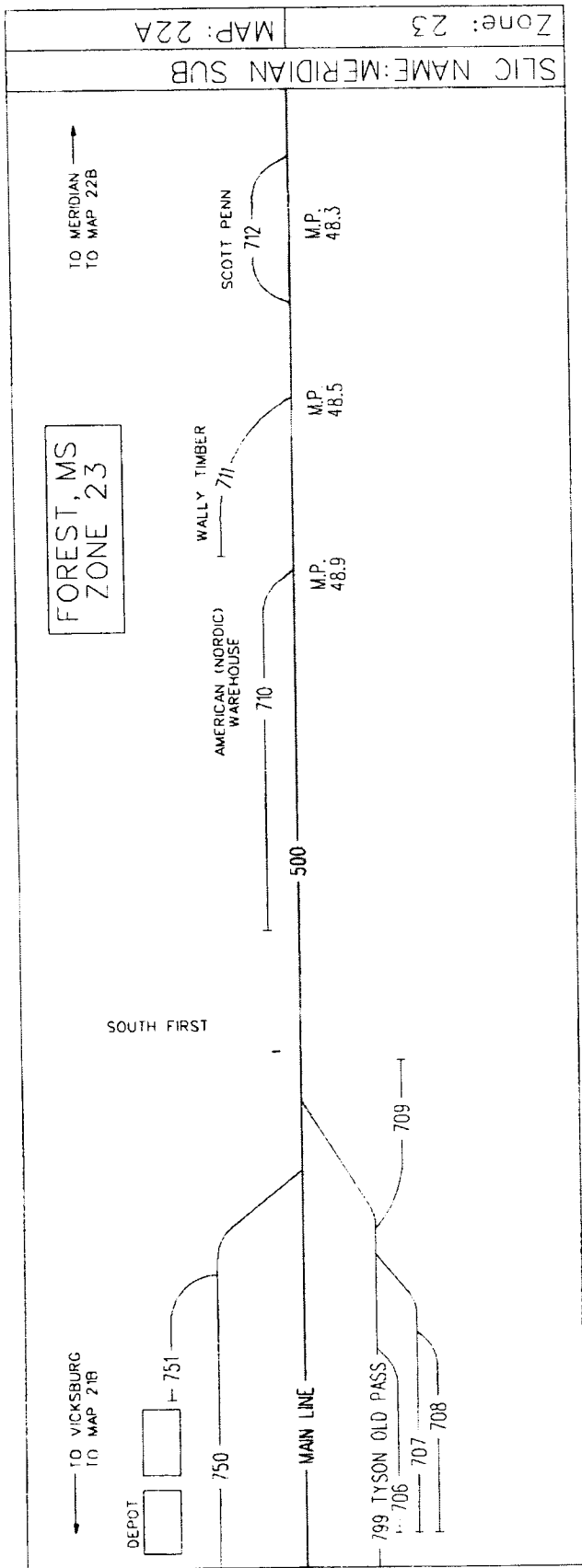


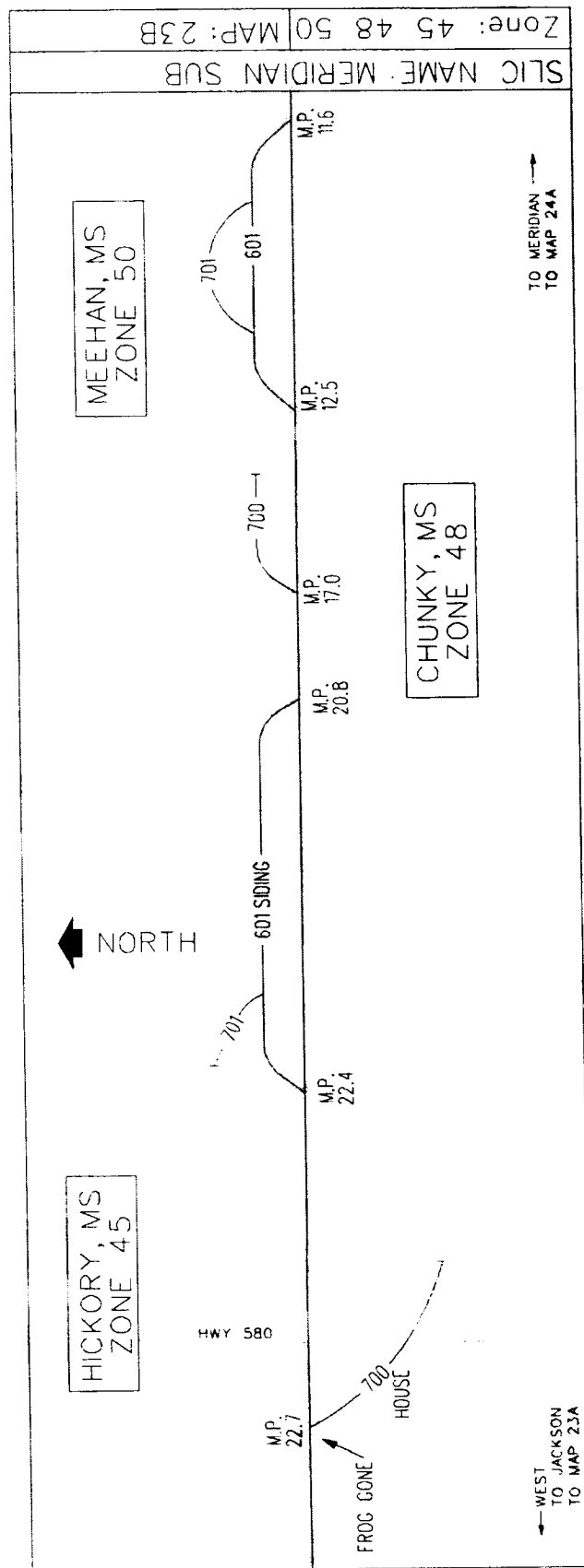
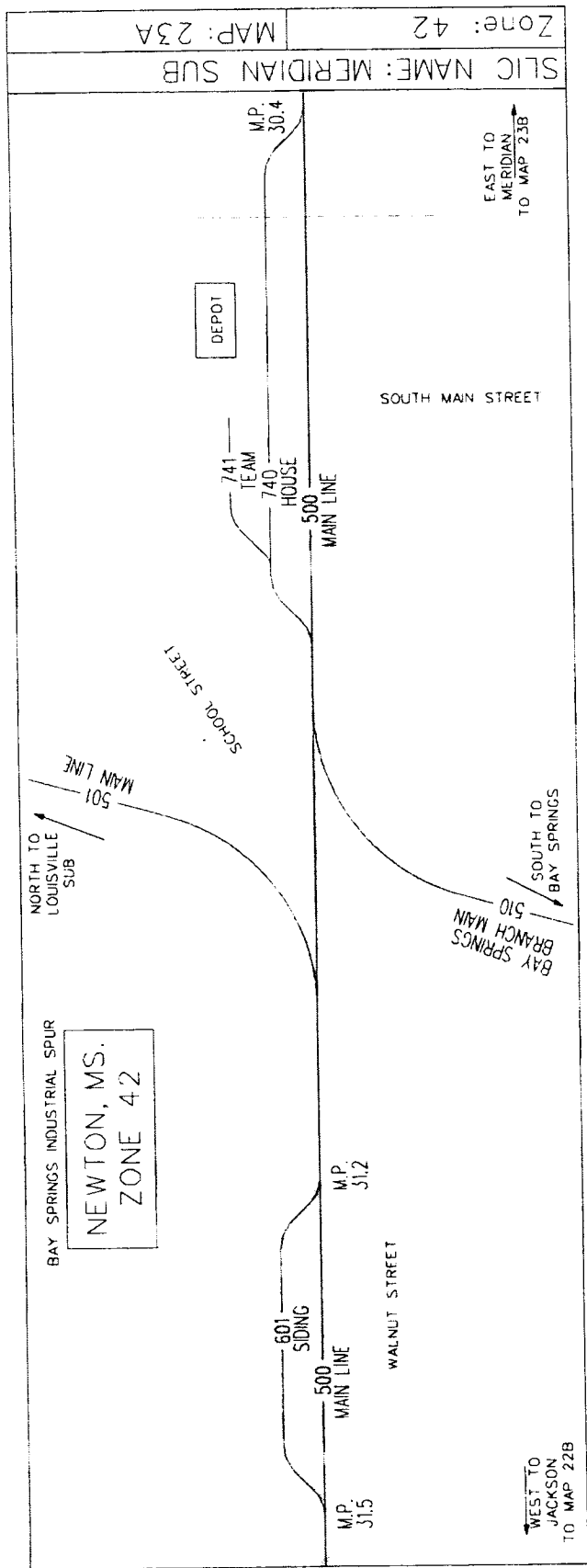












G

EXHIBIT G
to Transaction Agreement

UNIFIED ASSIGNMENT AND ASSUMPTION AGREEMENT

This UNIFIED ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of the ____ day of _____, 200__ (the "Unified Assignment and Assumption Agreement"), is by and among The Kansas City Southern Railway Company ("KCSR"), a Missouri corporation, Kansas City Southern, a Delaware corporation ("KCS") (KCS and KCSR are collectively referred to herein as "Assignors"), and Meridian Speedway LLC (MSLLC), a Delaware limited liability company ("Assignee"). KCSR, KCS and MSLLC are referred to individually here as a "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, on December 1, 2005, KCS, KCSR, The Alabama Great Southern Railroad and Norfolk Southern Corporation ("NSC") entered into a transaction agreement (the "Transaction Agreement") that, among other things, contemplated the creation of Assignee, and the transfer from KCSR, a wholly-owned subsidiary of KCS, to Assignee of the Subject Trackage, as defined in the Transaction Agreement; and

WHEREAS, the Transaction Agreement anticipates that, pursuant to the Operating Agreement, the form of which appears as an appendix to the Transaction Agreement, Assignee will hire KCSR to perform as the designated operator ("Designated Operator") all railroad operations required pursuant to the KCSR-MSLLC Joint Use Agreement and the NSR-MSLLC Joint Use Agreement, and all general and administrative services, including claims handling, accounting, legal services, human relations and labor relations services, and other like services, on behalf of Assignee; and

WHEREAS, Assignors and Assignee desire to enter into an assignment and assumption agreement pursuant to which Assignors assign, and Assignee assumes, certain agreements pursuant to which third parties have rights with respect to the Assets, generally consisting of public, private and pedestrian grade crossing, interlocking track, interlocking signal, joint use, and joint facility agreements, and such other like agreements associated with the usage of the Subject Trackage (the "Ancillary Agreements"); and

WHEREAS, Assignors agreed to contribute, transfer and assign to Assignee all of Assignors' right, title and interest in and to the Assets. For the avoidance of doubt, the Assets include without limitation (i) all Permits reasonably necessary to operate the Subject Trackage, (ii) Assignors' rights under the Ancillary Agreements, (iii) the right to review and copy all architectural, mechanical, engineering and other plans and specifications relating to the Assets and in Assignors' possession and control, (iv) all deposits under all contracts, agreements, leases and licenses relating to the Assets and (v) all warranties, guarantees, contract rights and miscellaneous rights relating to the Assets, except in the case of each of (i) – (v) for the portions thereof relating to assets that are not included in the Assets; and

WHEREAS, Assignee desires to accept assignment of the Ancillary Agreements and the Assets, and to assume the Assumed Liabilities, but only on the terms and conditions contained herein.

NOW, THEREFORE, the Parties hereto, for and in consideration of the premises, the mutual covenants and agreements contained herein and in the Transaction Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, agree as follows:

Section 1. Assignments.

(a) Subject to the terms of the Transaction Agreement, and for value received, Assignors do hereby transfer and assign unto Assignee, to the fullest extent that they lawfully may, all of Assignors' rights, titles and interests in those various Ancillary Agreements indicated on Exhibit A, attached hereto and made a part hereof; to the extent that said instruments affect the Subject Trackage. Assignors further partially transfer and assign unto Assignee, to the fullest extent that they lawfully may, the respective rights, titles and interests of Assignors, if any, in those various Ancillary Agreements indicated on Exhibit A, attached hereto and made a part hereof; to the extent that the instruments affect property only partially within the Subject Trackage, it being the intent to transfer and assign only so much of the instruments indicated on Exhibit A as affects the Subject Trackage. Notwithstanding anything to the contrary in this Unified Assignment and Assumption Agreement, Assignors withhold from assignment each and every agreement listed on Exhibit B hereto.

(b) Subject to the terms of the Transaction Agreement, for value received, Assignors do hereby transfer and assign unto Assignee, to the fullest extent that they lawfully may, all of Assignors' rights, titles and interests, in the Assets and the Assumed Liabilities.

Section 2. Assumption.

Subject to the terms of the Transaction Agreement, Assignee does hereby accept and assume, to the extent of the interest hereby assigned, all of the rights, titles, interests, covenants, promises and obligations of Assignors contained within the Ancillary Agreements (listed on Exhibit A), the Assets, and the Assumed Liabilities.

Section 3. Delivery of Assigned Agreements.

After the effective date of this Unified Assignment and Assumption Agreement, Assignors will make available for inspection and copying by Assignee the documents indicated on Exhibit A and Exhibit B. Assignee reserves the right to reject and refuse to accept assignment of any of the aforesaid instruments if and/or to the extent that they do not affect the Subject Trackage by giving Assignors notice within thirty (30) days of the date of delivery of same to Assignee. Subject to Section 4 hereof, failure of Assignee to reject or refuse to accept assignment will constitute assumption by Assignee of the rights, titles, interests, covenants, promises, and obligations of Assignors under said instruments as of the effective date of this Unified Assignment and Assumption Agreement.

Section 4. Erroneous Assignment.

It is the intent of Assignors to assign their interest in only those instruments affecting, and only to the extent that they affect, the Subject Trackage. Should any instruments that do not affect the Subject Trackage be included on the instruments provided herein to Assignee, and notwithstanding anything to the contrary herein, this Unified Assignment and Assumption Agreement shall be void and of no effect as to those instruments. Upon determination by either party that any instruments have been erroneously included in this Unified Assignment and Assumption Agreement, the instruments shall be promptly returned to Assignors, if already in the custody of Assignee.

Section 5. After-Discovered Agreements.

The instruments listed on the exhibits hereto constitute all of such instruments known to Assignors affecting the Subject Trackage. If subsequent to the effective date of this instrument, Assignors discover any additional instruments which affect the Subject Trackage, said instruments shall be automatically assigned as if included herein upon Assignors' mailing by Certified Mail copies of said instruments to Assignee.

Section 6. The Transaction Agreement.

This Unified Assignment and Assumption Agreement is subject to the terms and conditions of the Transaction Agreement. Nothing herein shall be deemed to amend, modify, alter, expand or diminish the terms and conditions of the Transaction Agreement, including the covenants, representations, warranties and indemnity obligations contained therein.

Section 7. Governing Law.

The laws of the state of Delaware shall govern the validity of this Unified Assignment and Assumption Agreement, the construction of its terms, and the interpretation of the rights and duties arising hereunder, without regard to the laws that might otherwise govern under the applicable principles of conflicts of law thereof.

Section 8. Counterparts.

This Unified Assignment and Assumption Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 9. Successors and Assigns.

This Unified Assignment and Assumption Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors and permitted assigns, and nothing in this Unified Assignment and Assumption Agreement, express or implied, is intended to or shall confer upon any other person any rights, interests, benefits or remedies of any nature whatsoever under or by reason of this Unified Assignment and Assumption Agreement.

Section 10. Further Assurances.

Assignors shall, from time to time upon the reasonable request of Assignee, execute and deliver all such further documents and instruments, and take all such further acts as shall be reasonably necessary or desirable to give full effect to the intent and meaning of this Agreement.

The effective date of this instrument is _____, 200__.

DATED this ____ day of _____, 200__.

ATTEST:

THE KANSAS CITY SOUTHERN
RAILWAY COMPANY

Assistant Corporate Secretary

By _____

ATTEST:

MERIDIAN SPEEDWAY LLC

Assistant Corporate Secretary

By _____

ATTEST:

KANSAS CITY SOUTHERN

Assistant Corporate Secretary

By _____

Exhibit A

Agreements Assigned to MSLLC:

Private Grade Crossings

Public Grade Crossings

Pedestrian Grade Crossings

Interlocking Track

Interlocking Signal

Joint Use

Joint Facility

Fences and other encroachments

Drainage

Temporary Right of Way

Non-Mainline Track Leases that take capacity for overhead rail movements

Exhibit B

Agreements Retained by KCSR

Microwave facility

Crossing and parallel:

- Pipeline

- Wireline (electrical, telephone, cable TV)

Utility Bridges

Fiber Optic

Easements/Licenses for:

- Minerals

- Oil

- Gas

- Signboards

- Foresting Rights

- Non-Mainline Track Leases, other than those taking capacity for overhead rail movements

H

EXHIBIT H
to Transaction Agreement

OMNIBUS BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS THAT **KANSAS CITY SOUTHERN**, a Delaware corporation, and **THE KANSAS CITY SOUTHERN RAILWAY COMPANY**, a Missouri corporation (together, "Sellers"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has contributed, bargained, sold, conveyed, transferred, assigned and delivered to Meridian Speedway LLC, a Delaware limited liability company ("Buyer"), and by these presents does hereby contribute, grant, bargain, sell, convey, transfer, assign and deliver unto Buyer, its successors and assigns, all of Sellers' right, title and interest, in and to all personal property (the "Personal Property") included in the Assets (as that term is defined in the Transaction Agreement by and among Sellers, Norfolk Southern Corporation and The Alabama Great Southern Railroad Company, the "Transaction Agreement"), including, without limitation, machinery, equipment, supplies and fixtures.

TO HAVE AND TO HOLD, all and singular the Personal Property by these presents contributed, bargained, sold, conveyed, transferred, assigned and delivered unto Buyer, its successors and assigns, forever.

This Omnibus Bill of Sale is subject to by the terms and conditions of the Transaction Agreement. Nothing herein shall be deemed to amend, modify, alter, expand or diminish the terms and conditions of the Transaction Agreement, including, without limitation, the covenants, representations, warranties and indemnification obligations contained therein. This Omnibus Bill of Sale shall be binding upon each of the Sellers and their respective successors and permitted assigns.

This Omnibus Bill of Sale may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Sellers shall, from time to time and upon the reasonable request of Buyer, execute and deliver all such further documents and instruments, and take all such further acts, as shall be reasonably necessary or desirable to give full effect to the intent and meaning of this Omnibus Bill of Sale.

The laws of the state of Delaware shall govern the validity of this Omnibus Bill of Sale, the construction of its terms and the interpretation of the rights and duties arising hereunder, without regard to the laws that might otherwise govern under the applicable principles of conflicts of law thereof.

IN WITNESS WHEREOF, Sellers have caused this Omnibus Bill of Sale to be executed this ____ day of _____, 200__.

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

By: _____
Name:
Title:

KANSAS CITY SOUTHERN

By: _____
Name:
Title:

I

UNIFIED LIABILITY AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of this ____ day of _____, 200__, by and among **NORFOLK SOUTHERN RAILWAY COMPANY**, a Virginia corporation ("NSR"), **THE KANSAS CITY SOUTHERN RAILWAY COMPANY**, a Missouri corporation ("KCSR"), and **MERIDIAN SPEEDWAY LLC**, a Delaware limited liability company ("MSLLC"). NSR, KCSR and MSLLC are referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS:

WHEREAS, on December 1, 2005, Kansas City Southern ("KCS"), KCSR, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation ("NSC") entered into a transaction agreement (the "Transaction Agreement") that, among other things, provided for the creation of MSLLC, and the transfer from KCSR, a wholly-owned subsidiary of KCS, to MSLLC of certain lines of railroad generally running between Meridian, MS and Shreveport, LA; and

WHEREAS, pursuant to Norfolk Southern – MSLLC Joint Use Agreement, MSLLC has agreed to grant to NSR haulage rights between Meridian, MS and Shreveport, LA, and an additional grant of trackage rights over that same track, which may be exercised only upon the happening of certain events; and

WHEREAS, pursuant to The Kansas City Southern Railway Company – MSLLC Joint Use Agreement, MSLLC has agreed to grant to KCSR certain haulage and trackage rights between Meridian, MS and Shreveport, LA; and

WHEREAS, pursuant to the NSR-KCSR Western Haulage Agreement, KCSR has agreed to grant to NSR haulage rights between Shreveport, LA and the Dallas, TX area; and

WHEREAS, pursuant to The Kansas City Southern Railway Company – MSLLC Operating Agreement, MSLLC will hire KCSR for the duration of the joint venture to perform as the Designated Operator for MSLLC for all railroad and other operations of MSLLC, including MSLLC railway operations pursuant to the KCSR Joint Use Agreement and the NSR Joint Use Agreement, as well as, to perform all general and administrative services required by MSLLC; and

WHEREAS, pursuant to the KCS – MSLLC Master Interchange Agreement, MSLLC and KCSR have agreed to terms governing the interchange of traffic between them; and

WHEREAS, pursuant to The Kansas City Southern Railway Company – NSR Haulage Agreement, KCSR may perform haulage services over the Jackson Gap, as that term is defined therein; and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which liability shall be apportioned by and among MSLLC, KCSR, and NSR under the Norfolk

REDACTED

Southern – MSLLC Joint Use Agreement, The Kansas City Southern Railway Company – MSLLC Joint Use Agreement, the NSR-KCSR Western Haulage Agreement, the KCS MSLLC Master Interchange Agreement, The Kansas City Southern Railway Company – NSR Haulage Agreement, and The Kansas City Southern Railway Company – MSLLC Operating Agreement (collectively the “Various Agreements”); and

WHEREAS, under the Norfolk Southern - MSLLC Joint Use Agreement and The Kansas City Southern Railway Company - MSLLC Joint Use Agreement, MSLLC will provide certain haulage and trackage rights to NS and KCS, as further defined in those agreements. The Parties intend in this Agreement to set forth the basis for allocating various liabilities between and among them related to those agreements; and

WHEREAS, under the NSR-KCSR Western Haulage Agreement and the KCS MSLLC Master Interchange Agreement, the Parties have arranged for the efficient operation of MSLLC and defined the relationship among the Parties. The Parties intend in this Agreement to set forth the basis for allocating various liabilities between and among them related to those agreements; and

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

- (a) “Account” shall mean a revenue waybill or car hire account
- (b) “Agreement” shall mean this Unified Liability Agreement
- (c) “Cars” shall include all rail cars and intermodal cars (including trailers and containers loaded thereon), and lading contained therein, if any.
- (d) “Environmental Loss” shall mean damage to or destruction of the environment, including without limitation land, air, water, wildlife, and vegetation, or death or injury to third parties or damage to or destruction of property, as a result of the release of a hazardous substance, waste or material as said terms are defined in any Federal, State or local law.
- (e) “Equipment” shall mean any on-track vehicle of any type whatsoever not otherwise a Car or Locomotive.
- (f) “Gross negligence or willful or wanton misconduct” shall mean the intentional failure to perform a manifest duty in reckless disregard of the consequences as affecting the life or property of another; such a gross want of care and regard for the rights of others as to justify the presumption of willfulness and wantonness.
- (g) “Locomotive” shall have the meaning assigned by the Federal Railroad Administration.
- (h) “Loss or Damage” shall mean loss or destruction of, or damage to, any property whatsoever, and any injury to or death of any person or persons whomever (including employees of NSR, KCSR or MSLLC), resulting from, arising out of, incidental to or occurring in connection with the Agreements.
- (i) “Trains” shall mean one or more Locomotives, whether or not coupled to one or more Cars.

REDACTED

(j) “Various Agreements” shall mean the Norfolk Southern – MSLLC Joint Use Agreement, The Kansas City Southern Railway Company – NSR Haulage Agreement, The Kansas City Southern Railway Company – MSLLC Joint Use Agreement, the NSR-KCSR Western Haulage Agreement, the KCS MSLLC Master Interchange Agreement, and The Kansas City Southern Railway Company – MSLLC Operating Agreement.

SECTION 2. LIABILITY

(a) Except as provided for elsewhere herein, whenever any Loss or Damage occurs in connection with the operation of Trains or Equipment provided for under one or more of the Various Agreements, the Party under whose control a Train or Equipment is operating (which shall be KCSR for trains operating under KCSR’s trackage rights and for trains operating under the Western Haulage Agreement, MSLLC for NS haulage trains and third party traffic, KCSR or MSLLC for all trains operated under the KCS MSLLC Master Interchange Agreement depending on the status of the train under that Agreement at the time of the loss or damage, and NSR for trains operating under NSR trackage rights) shall assume and bear all liability, cost, and expense for claims, demands and exposures, including attorneys’ fee incurred in defending such claims, demands, and exposures arising therefrom, with the exception that the Party in whose Account the Cars in a Train are traveling shall be solely responsible and shall assume all liability (including consequential, special and incidental damages) for loss, destruction or damage to Cars (including contents).

(b) Notwithstanding Section 2(a), if the Loss or Damage is caused by track conditions, the Party responsible for track maintenance (MSLLC for the trackage between Meridian and Shreveport, and KCSR for the track west of Shreveport) shall assume [] of the liability (including consequential, special and incidental damages) for the damage to Cars (including contents) pursuant to this Section, and if the Loss or Damage is caused by Train handling (which shall be KCSR for trains operating under KCSR’s trackage rights and for trains operating under the Western Haulage Agreement, MSLLC for NS haulage trains and third party traffic, and NSR for trains operating under NSR trackage rights), the Party responsible for Train handling shall assume [] of the liability (including consequential, special and incidental damages) for the damage to Cars (including contents) pursuant to this Section.

(c) Whenever Loss or Damage occurs with more than one Train and more than one controlling Party involved, then said Loss or Damage (other than Loss and Damage to Cars, including contents) shall be allocated equally among the Parties controlling such Trains, then, for each train, pursuant to Section 2(a) and 2(b).

(d) For the purposes of assigning responsibility for Loss and Damage under this Agreement, as to liability arising from operations over trackage other than that covered by the Western Haulage Agreement, the Trains and Cars and crew of a party not a Party to this Agreement shall be considered to be the Trains and Cars and crew of MSLLC, and the actions or inactions of any person when acting as the Designated Operator for MSLLC shall be considered the actions or inactions of MSLLC, and for and in the account of MSLLC, regardless of whether the Designated Operator is also a Party to this Agreement. For the purposes of assigning responsibility for Loss and Damage under this Agreement, as to liability arising from operations

over the trackage covered by the Western Haulage Agreement, the Trains and Cars and crew of a party not a Party to this Agreement shall be considered to be the Trains and Cars and crew of KCSR.

(e) Notwithstanding anything to the contrary in Section 2(a) and 2(b), if Loss or Damage is attributable solely to the gross negligence or willful or wanton misconduct of KCSR's managers (defined herein as all non-union personnel) under The Kansas City Southern Railway Company – MSLLC Operating Agreement, KCSR shall assume all liability, cost and expense in connection with such Loss or Damage. Except for such occurrence, and notwithstanding anything to the contrary in Section 2(a) and 2(b), if Loss or Damage is attributable solely to the gross negligence or willful or wanton misconduct of only one of the Parties to this Agreement, the Party to which such gross negligence or willful or wanton misconduct is attributable shall assume all liability, cost and expense in connection with such Loss or Damage.

(f) Notwithstanding anything to the contrary in Sections 2(a) through 2(d) above, when any Environmental Loss occurs from substances transported in cars or contained in locomotives occurs, with one or more than one Train involved, and one or more than one controlling Party involved, then, as between themselves, (i) NSR shall be solely responsible for any Environmental Loss which results solely from a substance transported in Cars and Equipment in NSR's Account which was released, (ii) KCSR shall be solely responsible for any Environmental Loss which results solely from a substance transported in Cars and Equipment in KCSR's Account which was released, and (iii) responsibility for Environmental Loss which results from one or more substances which was (or were) being transported in the Cars and Equipment in the Accounts of both NSR and KCSR which was (or were) released shall be shared by the Parties in proportion to the total number of such Cars and Equipment in the Account of each Party from which there was such a release of said substance.

(g) Notwithstanding any other provision contained in this Unified Liability Agreement, any liability arising from any agreement affecting the Assets and not assigned by KCSR to MSLLC shall be borne solely by KCSR.

(h) If any suit or action shall be brought against any Party for Loss or Damage which under the provisions of this Agreement are in whole or in part the responsibility of any other Party or Parties, said responsible Party or Parties shall be promptly notified in writing by the Party sued, and the Party or Parties so notified shall have the right and be obligated to take part in the defense of such suit and shall pay its or their share of the judgment and the costs and expense incurred in such suit in accordance with the terms of this Section 2.

(i) In every case of death or injury suffered by an employee of any of the Parties hereto, when compensation to such employee or employee's dependents is required to be paid under any present or future state or federal worker's compensation, occupational disease, employers' liability or other law or settlement, and one or more of the Parties under provisions of this Agreement is or are required to pay same or a portion of same in installments over a period of time, said Party or Parties shall not be released from paying any such future installment(s) by reason of the expiration or other termination of this Agreement prior to any of the respective date(s) upon which any such future installments are to be paid.

REDACTED

(j) **WHENEVER ANY LIABILITY, COST OR EXPENSE IS ASSUMED BY OR ALLOCATED TO A PARTY UNDER THIS SECTION 2, THAT PARTY SHALL (i) FOREVER DEFEND, INDEMNIFY AND SAVE HARMLESS THE OTHER PARTIES FROM AND AGAINST THAT LIABILITY, COST AND EXPENSE, REGARDLESS OF WHETHER SUCH LIABILITY, COST AND EXPENSE WAS CAUSED IN WHOLE OR IN PART BY THE FAULT, FAILURE, NEGLIGENCE, MISCONDUCT, MALFEASANCE OR MISFEASANCE OF THE PARTIES INDEMNIFIED, OR THEIR DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES, AND (ii) DEFEND SUCH PARTIES AGAINST SUCH CLAIMS WITH COUNSEL SELECTED BY THE RESPONSIBLE PARTIES AND REASONABLY ACCEPTABLE TO THE INDEMNIFIED PARTIES.**

(k) 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 of this Section 2; provided, however, that salaries or wages of full-time agents, full-time attorneys and other full-time employees of any Party engaged directly or indirectly in such work shall be borne by such Party.

(l) No Party shall settle or compromise any claim, demand, suit or cause of action for which any other Party has any liability or proportionate share liability under this Agreement of at least [] without the concurrence of such other Party or Parties. The foregoing amount of [] shall be adjusted from time to time by agreement of the Parties.

(m) Should any non-party railroad be admitted to operate via haulage or trackage rights on all or any portion of the railroad generally running between Meridian, MS and Shreveport, LA referenced in the first Whereas clause above, the Parties agree that said non-party railroad shall provide full and complete defense and indemnity to the Parties for all Loss and Damage incurred as a result or in connection with said operations.

SECTION 3. INDEMNITY COVERAGE

(a) As a part of the consideration hereof, each Party hereby agrees that each and all of its commitments to defend, indemnify and hold harmless in this Agreement in favor of the other Parties hereto shall extend to the parent corporation, subsidiaries and affiliates of such other Parties, and all of their respective directors, officers, agents and employees.

(b) NSR, KCSR and MSLLC shall defend, indemnify and hold harmless one another against any and all costs and payments, including benefits, allowances, and arbitration, administrative and litigation expenses, arising out of lawsuits, claims or grievances brought by or on behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the Parties' intention that MSLLC, KCSR, and NSR each shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed, and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

REDACTED

SECTION 4. TERM

This Agreement shall become effective upon execution and shall remain in force and effect so long as any of the Various Agreements are in force and effect.

SECTION 5. ARBITRATION

Any dispute arising among the Parties with respect to this Agreement or any of the Various Agreements shall be referred to their respective senior operating officers. In the event such officers are unable to resolve the dispute, any Party may submit the dispute for binding arbitration by three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall render a written decision on the controversy. The written decision of the arbitrators, acting by majority rule, shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees and expenses of its own witnesses, experts and counsel. The compensation, costs and expense of the arbitrators, if any, shall be borne by the Parties, with each Party paying an equal share of such costs. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. Pending the written decision of the arbitrators, there shall be no interruption in the transaction of business under this Agreement or the Various Agreements, and all payments in respect thereto shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been fully determined by arbitration, and thereupon such payment or restitution shall be made as required by the decision of the arbitrators.

SECTION 6: MISCELLANEOUS PROVISIONS

(a) This Agreement and each and every provision hereof is 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 of any third party to recover by way of damages or otherwise against any of the Parties hereto.

(b) This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(c) No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by all Parties.

(d) The division of this Agreement into articles, sections, and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to articles, sections or subsections are to articles, sections or subsections of this Agreement.

(e) This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

REDACTED

(f) No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(g) If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

(h) Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking among MSLLC, NSR, and KCSR.

(i) This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

(j) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

As to MSLLC

MERIDIAN SPEEDWAY LLC

By: _____

Title: _____

WITNESS:

As to KCSR

THE KANSAS CITY SOUTHERN
RAILWAY COMPANY

By: _____

Title: _____

REDACTED

WITNESS:

As to NSR

NORFOLK SOUTHERN
RAILWAY COMPANY

By: _____

Title: _____

J

DALLAS TERMINAL MARKETING AGREEMENT

THIS DALLAS TERMINAL MARKETING AGREEMENT (the "Agreement") is entered into as of this ____ day of _____, 200__, by and between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSR"), and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation ("KCSR"). NSR and KCSR are referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS:

WHEREAS, on December 1, 2005, Kansas City Southern ("KCS"), KCSR, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation ("NSC") entered into a transaction agreement (the "Transaction Agreement") that, among other things, provided for the creation of Meridian Speedway LLC, a Delaware limited liability company ("MSLLC"), the transfer from KCSR to MSLLC of the Subject Trackage, as defined herein, and the grant by MSLLC to NSR and KCSR of certain rights over the entirety of the Subject Trackage; and

WHEREAS, KCSR and NSR desire to set forth the terms and conditions pursuant to which NSR will have commercial access for the movement of certain intermodal freight between Meridian, MS and KCSR's existing or future intermodal facility in the vicinity of Dallas, TX, handling Dallas Intermodal Terminal Traffic as defined herein, and to further provide the terms and conditions pursuant to which NSR may exercise an option to purchase KCSR's existing or future intermodal facility in the vicinity of Dallas, TX, with a corresponding change in NSR's commercial access to said facility.

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS

(a) Interpretation Generally.

(i) Unless otherwise defined herein, 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.

(ii) Unless otherwise defined herein, each capitalized term in this Agreement shall have the same meaning given to said term in the Transaction Agreement.

(iii) The division of this Agreement into sections and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to sections or subsections are to articles, sections or subsections of this Agreement.

(b) Capitalized Terms.

All capitalized terms shall have the defined meaning set forth below:

REDACTED

“Abandonment Notice” shall have the meaning given that term in Section 4(a).

“Agreement” shall have the meaning given that term in the introductory paragraph.

“Dallas Intermodal Terminal Traffic” means all domestic intermodal containers or trailers with an origin and destination in the United States, with a lift or drop at the Terminal, that moves over the Subject Trackage and over KCSR’s tracks between Shreveport and the Terminal, and that originates or terminates at or east of Meridian, and that originates or terminates at or west of the Dallas / Ft. Worth, TX. Standard Metropolitan Statistical Area (SMSA) as published by the Office of Management and Budget (OMB).

“Fair Market Value” shall have the meaning given that term in Section 3.

“Foreign Railroad” shall mean a railroad not a Party to this Agreement.

“Indentures” shall mean, collectively, the Indenture, dated as of September 27, 2000, among KCSR, KCS, certain Subsidiaries of KCS and The Bank of New York, as trustee, governing the terms of KCS’ 9½% Senior Notes due 2008 and the Indenture, dated as of June 12, 2002, among KCSR, KCS, certain Subsidiaries of KCS and U.S. Bank National Association, as trustee, governing the terms of KCS’ 7½% Senior Notes due 2009, as they may be amended from time to time in a manner not prohibited by the Transaction Agreement.

“Independent Terminal Appraiser” shall have the meaning given that term in Section 4(e).

“Joint Operating Committee” shall have the meaning given that term in the Meridian Speedway LLC – Kansas City Southern Operating Agreement.

“JOC” shall mean the Joint Operating Committee.

“Notice” shall have the meaning given that term in Section 4(b).

“Notice Trigger Period” shall be the one (1) year period beginning on the earlier of: (i) the eighteenth (18th) anniversary of the Closing (as defined in the Transaction Agreement); and (ii) the date that KCSR gives written notice to NSR through the service of an Abandonment Notice of its intent to abandon, discontinue the use of, sell, lease or otherwise transfer control or use of the Terminal.

“Option” shall have the meaning given that term in Section 3.

“Party Terminal Appraiser” shall have the meaning given that term in Section 4(c).

“Rate Quote” shall be an offer to a potential shipper for transportation of Dallas Intermodal Terminal Traffic under certain specified terms, conditions and divisions.

“SMSA” shall mean a Standard Metropolitan Statistical Area as may be defined from time to time by the United States Office of Management and Budget.

REDACTED

“Subject Trackage” shall have the meaning set forth in the Meridian Speedway LLC – Kansas City Southern Operating Agreement

“STB” shall mean the Surface Transportation Board or successor agency.

“Terminal” shall mean the intermodal facility owned and operated by KCSR in the vicinity of Dallas, TX, now or in the future handling Dallas Intermodal Terminal Traffic, the current location of which is near Zacha Junction, including all of KCSR’s right, title and interest in land, buildings and improvements (including but not limited to rail improvements) but not including any main line track or right of way adjacent to said facility.

“Terminal Appraisal Report” shall have the meaning given that term in Section 4(g).

SECTION 2. RELATIONSHIP PRIOR TO EXERCISE OF OPTION

(a) From and after the Closing (as defined in the Transaction Agreement), and thereafter for the term of this Agreement until NSR exercises the Option, KCSR and NSR shall jointly work to market the movement of Dallas Intermodal Terminal Traffic [

]

(b) Rates and rate increases for the interline movement of Dallas Intermodal Terminal Traffic shall be established jointly by KCSR and NSR on the basis of [

]. KCSR shall publish the pricing from the Terminal. NSR shall publish the pricing to the Terminal. All containers and trailers and their contents handled under this Agreement shall be subject to KCSR’s intermodal rules circular while on KCSR (including any trackage rights over MSLLC), and subject to NSR’s intermodal rules circular while on NSR. Any charges due from customers for ancillary or incidental services or any charges set forth in the intermodal rules circular of the railroad authorized to assess such charges shall be payable to the railroad assessing and collecting such charges, and will not be divided pursuant to this Agreement, unless, in accordance with established intermodal practice such charges (for example, fuel surcharges) are split among the carriers, in which case established intermodal practice shall govern. All costs for operations, equipment, fuel and other costs to provide the services hereunder shall be borne by the carrier incurring those costs.

(c) Nothing in this Agreement shall be construed as requiring or effecting a modification or amendment of any of the terms, conditions or customary business practices (including rates, blocking, movement of empty cars, and service), if any, that apply to the movement of intermodal containers and trailers between KCSR and NSR as of the date of this Agreement. Notwithstanding the foregoing, KCSR and NSR agree to add and/or amend train schedules as may be required to efficiently and effectively respond to the market conditions and effectuate the intent of this Agreement, as expressed in Section 2(a). Nothing herein shall be construed to impose any obligation on KCSR to add capacity to its trackage between Shreveport, LA and the Terminal in excess of that provided for in the NSR Joint Use Agreement.

REDACTED

(d) KCSR shall develop a Rate Quote based upon Section 2(b), and shall offer a potential movement to NSR utilizing such developed Rate Quote, for any Dallas Intermodal Terminal Traffic. KCSR shall not enter into a transportation agreement involving a Rate Quote in conjunction with a Foreign Railroad unless KCSR first offers such a potential movement to NSR and NSR declines the offer to participate in such movement. NSR shall have[] from the receipt of the offer to accept or decline the offer. Failure to decline the offer within the [] shall be deemed an acceptance. Should NSR decline the offer to participate in such movement, KCSR may then offer to enter into a transportation agreement involving a Rate Quote with a Foreign Railroad for the same traffic for movement between the same SMSAs, upon the same terms, conditions and divisions (for all parties in the route) as offered to NSR.

(e) Unless specifically agreed upon by both Parties, Dallas Intermodal Terminal Traffic will []

] Neither

Party may move Dallas Intermodal Terminal Traffic by means of a haulage arrangement with any Foreign Carrier other than is set forth hereinafter as to haulage performed by KCSR for NSR following the exercise of the Option.

SECTION 3. GRANT OF OPTION

Subject to the provisions of Section 4 herein, KCSR hereby grants to NSR an option to permit it or any of its subsidiaries or affiliates to purchase, at Fair Market Value as defined below, all of KCSR's right, title and interest in the Terminal, together with all of the buildings, improvements and other fixtures located on the Terminal, but only upon the terms and conditions stated herein (the "Option"). The Option is an interest that shall run with the land and shall continue in effect without regard to the identity of the owner of the Terminal, including following any conveyance of any interest in the Terminal by KCSR or a change in control of KCSR or KCS. For purposes of this Agreement, "Fair Market Value" shall be the appraised value of the real estate on which the Terminal is located plus the net liquidation value of the components of the Terminal, determined in accordance with Section 4 herein.

SECTION 4. EXERCISE OF OPTION

(a) KCSR shall give written notice to NSR of its intent to abandon, discontinue the use of, sell, lease or otherwise transfer control or use of the Terminal ("Abandonment Notice").

(b) NSR may exercise the Option only by serving, at any time during the Notice Trigger Period, a written notice to KCSR ("Notice") declaring NSR's intent to exercise the Option. In the event that NSR elects not to exercise the Option or fails to exercise the Option during the Notice Trigger Period, then: (i) the Option shall expire and be of no further effect, and (ii) NSR shall use commercially reasonable efforts to indicate the expiration of the Option in the same manner as provided for in Section 4(l) herein.

REDACTED

(c) Within [] days of receipt of the Notice from NSR, each of KCSR and NSR shall engage a reputable, independent M.A.I. designated appraiser with at least ten (10) years of experience in valuing: (i) real property in Texas and (ii) commercial values for rail yard property ("Party Terminal Appraiser"), and notify the other Party thereof in writing of the name of the Party Terminal Appraiser chosen. KCSR and NSR shall each cooperate with each Party Terminal Appraiser and promptly provide all records and files, correspondence, properties and personnel, as well as all other information relating to the Terminal reasonably requested by each Party Terminal Appraiser in connection with its appraisal. Each Party Terminal Appraiser shall develop an appraisal report which shall set forth the basis for the respective Party Terminal Appraiser's appraisal, together with such information as is customary in the industry for such a written appraisal report including, but not limited to, the supporting working data and appraisal approach. Within sixty (60) days after their selection by KCSR and NSR, each Party Terminal Appraiser shall provide both NSR and KCSR with its written appraisal report of such Fair Market Value, which for all purposes in this Section 4 shall be based upon the asset value of the assets subject to the Option rather than the going concern value of the Terminal as part of the KCSR railroad system or any other railroad system.

(d) In the event that either NSR or KCSR fails to select a Party Terminal Appraiser, or if a Party Terminal Appraiser fails to timely provide its appraisal report with its determination of Fair Market Value to both NSR and KCSR, then the only appraisal report timely submitted by a Party Terminal Appraiser shall be final and binding on both NSR and KCSR.

(e) If the Fair Market Value of both appraisal reports are within [] of each other, the Option price shall be an average of Fair Market Values of both Party Terminal Appraisers. If there is more than [] difference in the Party Terminal Appraisers' Fair Market Values, then each Party Terminal Appraiser will submit to the other Party within fifteen (15) days of receipt of the other Party's Party Terminal Appraiser's appraisal a critique of the other Party Terminal Appraiser's appraisal. If KCSR and NSR cannot agree on the Fair Market Value of the Terminal within fifteen (15) days after the date the critiques are delivered, such Party Terminal Appraisers shall consult with each other in good faith and select a third independent M.A.I. designated appraiser (A) with at least ten (10) years of experience in valuing real property in Texas and commercial values for rail yard property, (B) who is not an affiliate, employee or agent of either party or either Party Terminal Appraiser and (C) who shall not at such time be engaged by either Party to perform any work and shall not have performed any work for either Party for at least two (2) years prior to engagement hereunder (the "Independent Terminal Appraiser").

(f) If neither appraisal report is timely delivered, or if both appraisal reports are timely delivered but the Party Terminal Appraisers do not timely select an Independent Terminal Appraiser, then both NSR and KCSR shall have the right, upon written Notice to the other Party, to cause the American Arbitration Association to appoint the Independent Terminal Appraiser.

(g) The Independent Terminal Appraiser shall, within forty-five (45) days of the selection thereof, (i) review each Party Terminal Appraiser's appraisal report, critique, statements provided by the Parties and the respective proposed Fair Market Value, and (ii) issue a report selecting one or the other proposed Fair Market Values which has been submitted to it (the "Terminal Appraisal Report") as best reflecting the Fair Market Value of the Terminal. In

REDACTED

the event that neither Party Terminal Appraiser's appraisal report is timely delivered, the Independent Terminal Appraiser shall deliver a Terminal Appraisal Report reflecting its determination of Fair Market Value. The determination of Fair Market Value by the Independent Terminal Appraiser set forth in the Terminal Appraisal Report shall be final and binding on NSR and KCSR.

(h) Each of NSR and KCSR agrees to execute, if requested by the Independent Terminal Appraiser, a reasonable engagement letter in customary form. Each of NSR and KCSR shall cooperate with the Independent Terminal Appraiser and promptly provide, and shall cause its respective Party Terminal Appraiser to promptly provide, access to all records and files, correspondence, properties and personnel, as well as to all other information, in each case, relating to the Terminal reasonably requested by the Independent Terminal Appraiser in connection with its appraisal.

(i) Each Party shall bear its own expenses as to its respective Party Terminal Appraiser, and the appraisal expenses associated with the Independent Terminal Appraiser shall be borne equally by the Parties.

(j) For a reasonable period of time following KCSR's receipt of the Notice, KCSR shall allow, to the extent not prohibited by applicable Law, the officers, attorneys, accountants and other duly authorized representatives of NSR reasonable access during regular business hours to any books, records, files, correspondence, audits, properties, personnel and other information of KCSR and its affiliates and subsidiaries relating to the Terminal that is reasonably requested by NSR or its representatives.

(k) Within forty-five (45) days of the final determination of the Fair Market Value, as provided above, if NSR elects to proceed with the facility purchase transaction in light of such Fair Market Value determination, NSR (or, at NSR's sole discretion, a subsidiary) shall purchase, and KCSR shall sell, the Terminal at a price consistent with the methodology set forth in this Section 4, and each shall effect, or shall cause their respective subsidiaries, as applicable, to effect, the necessary transactions pursuant to customary documentation reasonably acceptable to the Parties, the transfer by quitclaim deed of all of KCSR's right, title and interest in the Terminal to NSR (or its designated subsidiary), which shall include representations, warranties, covenants and indemnities with respect to the Terminal with terms at least as favorable to NSR (and/or its subsidiaries) as set forth in the Transaction Agreement with respect to the transfer of the Subject Trackage. If the Indentures remain in effect at the time of the purchase of the Terminal, the terms and conditions of such purchase shall comply with the requirements of the Indentures. If KCSR and NSR are unable to agree upon the agreement containing the terms and conditions of purchase of the Terminal, then both NSR and KCSR shall have the right on written notice to the other Party to cause the American Arbitration Association to select between the agreement proposed by KCSR or the agreement proposed by NSR and that selection shall be final and binding upon KCSR and NSR, except that the compensation to be paid for the Terminal shall be determined as otherwise provided for in this Section 4.

(l) NSR shall be responsible for the payment of all transfer, filing and recording taxes in connection with the purchase and sale of the Terminal pursuant to this Section 4.

REDACTED

(m) Nothing set forth in this Section 4 or elsewhere in this Agreement shall restrict or prohibit, nor shall the rights provided in this Section 4 be triggered by, any transfer of any portion of the Terminal by KCSR, or a change in control of KCSR or KCS, provided however, that such transfer or change of control, as the case may be, shall be subject to this Agreement.

(n) NSR may record a memorandum or short form of this Agreement in the local land records setting forth the essential terms of this Option.

(o) If NSR exercises the Option pursuant to part (i) of the definition of "Notice Trigger Period," then NSR (or, for all purposes of this Section 4(o), the designated subsidiary through which NSR purchases the Terminal), at the closing of its purchase of the Terminal, will grant KCSR an option to repurchase the Terminal on the following terms: within [] following the date on which NSR purchased the Terminal, if NSR wishes to sell all or any interest in the Terminal and receives a bona fide offer to purchase the Terminal, or NSR wishes to discontinue intermodal operations at the Terminal, NSR shall notify KCSR of its intent in writing, and KCSR shall have [] to submit a written offer to repurchase the Terminal at a price to be set pursuant to the procedures provided for in this Section 4. If KCSR submits such an offer, NSR shall reconvey the Terminal to KCSR within thirty (30) days of receipt of payment of the repurchase price. KCSR shall be responsible for the payment of all transfer, filing and recording taxes in connection with the repurchase and resale of the Terminal pursuant to this Section 4(o).

SECTION 5. POST-OPTION

(a) If NSR exercises the Option pursuant to Section 4:

(i) all NSR Dallas Intermodal Terminal Traffic shall move between Shreveport and the Terminal pursuant to [

] and duration (which shall be until terminated by mutual agreement of the Parties).

(ii) NSR agrees to provide to KCSR, for KCSR intermodal traffic, other than traffic to be interchanged at Meridian, on a nondiscriminatory basis with its own traffic and pursuant to agreements typical to the industry, all services normally provided by an intermodal rail terminal to a third party railroad, including but not limited to: inbound and outbound gate inspections, inspection of seals, removal of trailers and containers, with or without chassis, from intermodal cars, loading and securing of trailers and containers on intermodal equipment, loading and unloading of containers, chassis, and trailers from trackside to designated parking space, loading and unloading of containers to chassis to ground, ground to chassis, and

REDACTED

ground, inbound and outbound rail running inspections of trailers and containers under the applicable AAR rules, physical security for KCSR trailers and containers, intermodal cars and chassis to the same general level and quality as KCSR provides for its own equipment and business at the Terminal, storage for containers, trailers and chassis, onsite repair services for trailers, container, chassis, and intermodal rail cars, and reasonably suitable and sufficient office space for two KCSR employees.

(b) NSR charges for services provided to KCSR pursuant to Section 5(a)(ii) shall be [

] If NSR employs a third party independent contractor at the Terminal, KCSR charges assessed by NSR shall be [

]

SECTION 6. TERM AND TERMINATION

(a) Effective Date.

This Agreement shall become effective only if the Transaction, as defined Transaction Agreement referenced in the Recitals hereto, closes, and following the latest date of: (i) the date first written above; (ii) receipt of any required regulatory approvals or exemptions; and (iii) the expiration of any time periods required by the issuance of labor notices by KCSR and/or NSR, should such labor notices be required ("Effective Date"). The Parties shall determine the Effective Date through an exchange of written correspondence.

(b) Term.

This Agreement shall commence on the Effective Date, and shall continue until terminated by the Parties hereto.

SECTION 7. REMEDIES AND INSURANCE

(a) Breach of this Agreement.

Each Party acknowledges and agrees that the other Party would be irreparably damaged in the event any of the provisions of this Agreement were not performed by it in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions to prevent further breaches of such provisions and to specifically enforce such provisions, in addition to other remedies available at law or in equity.

(b) Insurance.

KCSR shall ensure that the Terminal and all services provided by KCSR pursuant to this Agreement are at all times covered by insurance to the same degree and in the same manner as maintained from time to time by KCSR and its affiliates for comparable property and operations.

SECTION 8. PROVISIONS OF GENERAL APPLICATION

(a) Force Majeure.

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including strikes, riots, floods, accidents, Acts of God, acts of terrorism, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

(b) Successors and Assigns.

(i) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns.

(ii) Except as otherwise specifically provided hereinafter, neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party, provided however, consent to assignment will not be required for assignment to a majority owned subsidiary of either Party, however any subsequent transfer or assignment by such subsidiary shall require prior written consent of the other Party, not to be unreasonably withheld or delayed.

(iii) In the event of a sale of substantially all of the assets or business of KCSR, or the merger or consolidation of KCSR into or with a firm or corporation not controlled by KCS, KCSR may, without the prior consent of NSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of KCSR, or merging or consolidating with KCSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation under this Agreement that existed prior to such assignment.

(c) Invalid or Unenforceable Provisions.

If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this

REDACTED

Agreement in all material respects, unless the provisions determined to be unenforceable or invalid substantially affect the value of this Agreement to either of the Parties and the Parties are unable to agree upon terms which would be substantially equivalent to the terms found to be invalid or unenforceable, in which event this Agreement shall terminate.

(d) Arbitration.

(i) Except as otherwise provided in this Agreement, any dispute arising between the Parties or between KCSR and NSR with respect to the alleged breach of this Agreement shall be initially referred to the JOC for informal dispute resolution. In the event the JOC is unable to resolve the dispute, KCSR or NSR shall submit the dispute to the Management Committee, provided, however, that any Member (as defined in the LLC Agreement) may refer the issue to binding arbitration by a panel of three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall issue a written decision on the controversy. The written decision of the arbitrators, reached upon a majority vote, shall be final and conclusive upon KCSR and NSR. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, experts, and counsel. The compensation, costs and expenses of the three arbitrators, if any, shall be borne equally by the Parties. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. Pending the written award of the arbitrators, there shall be no interruption in the transaction of business under this Agreement, and thereupon such payment or restitution shall be made as required by the written decision of the arbitrators.

(e) Notice.

Any notice required or permitted to be given by one Party to the other Party 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:

(i) If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

(ii) If to NSR:

REDACTED

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

KCSR or NSR may provide changes in the above addresses to the others by personal service or certified mail.

(f) Confidentiality.

(i) Except as provided by law or by rule, order, or regulation of any Governmental Entity or the New York Stock Exchange, or in connection with an audit by the Internal Revenue Service or other tax authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Agreement, during the Term of this Agreement, and for a period of three (3) years after termination of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by either Party to any person other than officers, employees, independent auditors and attorneys, without the prior written approval of the other Party.

(ii) Notwithstanding the foregoing Section 8(f)(i), the Parties acknowledge and agree that in any STB proceeding, the Parties may be required to submit this Agreement into the record. The Parties will propose to request a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with the highly confidential provisions redacted) may be entered into the public STB record and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

(g) Third Party Beneficiaries.

This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party.

(h) Entire Understanding.

This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(i) Waiver.

REDACTED

No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by all Parties. No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(j) Drafters.

This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

(k) Choice of Law.

This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

(l) Execution in Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

REDACTED

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

As to KCSR

By: _____

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

As to NSRC

By: _____

REDACTED

K

EXHIBIT K
to Transaction Agreement

VICKSBURG ASSIGNMENT AND ASSUMPTION AGREEMENT

This **VICKSBURG ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "Agreement") is dated as of the ____ day of _____, 200__ by and among The Kansas City Southern Railway Company, a Missouri corporation ("Assignor"), and Meridian Speedway LLC, a Delaware limited liability company ("Assignee"). All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Transaction Agreement by and among Kansas City Southern, Assignor, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation, dated December 1, 2005 (the "Transaction Agreement").

RECITALS:

WHEREAS, there exists that certain Bridge Lease between Vicksburg Bridge and Terminal Company (predecessor in interest to the Warren County Bridge Commission) and The Yazoo and Mississippi Valley Railroad Company (predecessor in interest to Assignor), dated February 11, 1928, as amended from time to time (the "Vicksburg Bridge Lease"); and

WHEREAS, on the terms and subject to the conditions set forth in the Transaction Agreement, Assignor agrees to assign the Vicksburg Bridge Lease to Assignee, and Assignee desires to accept such assignment; and

WHEREAS, the Warren County Bridge Commission has consented to such assignment.

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements contained herein and in the Transaction Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Assignment. Assignor hereby contributes, assigns, sets over and transfers to Assignee, its successors and assigns, all of Assignor's right, title and interest, in, to and under the Vicksburg Bridge Lease.

Section 2. Assumption. Subject to the terms and conditions of the Transaction Agreement, Assignee hereby accepts the assignment of all of Assignor's right, title and interest in, to and under the Vicksburg Bridge Lease and the Assumed Liabilities related to the Vicksburg Bridge Lease and agrees to observe, pay, perform and discharge such Assumed Liabilities, in accordance with their respective terms, as and when due.

Section 3. The Transaction Agreement. This Agreement is controlled by the terms and conditions of the Transaction Agreement. Nothing herein shall be deemed to amend, modify, alter, expand or diminish the terms and conditions of the Transaction Agreement, including,

without limitation, the covenants, representations, warranties and indemnification obligations contained therein.

Section 4. Further Assurances. Assignor shall, from time to time upon the reasonable request of Assignee, execute and deliver all such further documents and instruments, and take all such further acts as shall be necessary or desirable to give full effect to the intent and meaning of this Agreement.

Section 5. Governing Law. The laws of the state of Delaware shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties arising hereunder, without regard to the laws that might otherwise govern under the applicable principles of conflicts of law thereof.

Section 6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 7. Successors and Assigns. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, interests, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

By: _____
Name:
Title:

MERIDIAN SPEEDWAY LLC

By: _____
Name:
Title:

L

EXHIBIT L
to Transaction Agreement

JACKSON ASSIGNMENT AND ASSUMPTION AGREEMENT

This **JACKSON ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "Agreement") is dated as of the ____ day of _____, 200__ by and among The Kansas City Southern Railway Company, a Missouri corporation ("Assignor"), and Meridian Speedway LLC, a Delaware limited liability company ("Assignee"). All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Transaction Agreement by and among Kansas City Southern, Assignor, The Alabama Great Southern Railroad Company and Norfolk Southern Corporation, dated December 1, 2005 (the "Transaction Agreement").

RECITALS:

WHEREAS, there exists that certain MSR Jackson Trackage Rights agreement between Illinois Central Gulf Railroad Company and MidSouth Rail Corporation (predecessor in interest to Assignor), dated March 26, 1986, as amended from time to time (the "MSR Jackson Trackage Rights"); and

WHEREAS, on the terms and subject to the conditions set forth in the Transaction Agreement, Assignor agreed to assign the MSR Jackson Trackage Rights to Assignee, and Assignee desires to accept such assignment; and

WHEREAS, Canadian National has consented to such assignment.

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements contained herein and in the Transaction Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Assignment. Assignor hereby contributes, assigns, sets over and transfers to Assignee, its successors and assigns, all of Assignor's right, title and interest, in, to and under the MSR Jackson Trackage Rights.

Section 2. Assumption. Subject to the terms and conditions of the Transaction Agreement, Assignee hereby accepts the assignment of all of Assignor's right, title and interest in, to and under the MSR Jackson Trackage Rights and the Assumed Liabilities related to the MSR Jackson Trackage Rights and agrees to observe, pay, perform and discharge such Assumed Liabilities, in accordance with their respective terms, as and when due.

Section 3. The Transaction Agreement. Nothing herein shall be deemed to amend, modify, alter, expand or diminish the terms and conditions of the Transaction Agreement,

including, without limitation, the covenants, representations, warranties and indemnification obligations contained therein.

Section 4. Further Assurances. Assignor shall, from time to time upon the reasonable request of Assignee, execute and deliver all such further documents and instruments, and take all such further acts as shall be necessary or desirable to give full effect to the intent and meaning of this Agreement.

Section 5. Governing Law. The laws of the state of Delaware shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties arising hereunder, without regard to the laws that might otherwise govern under the applicable principles of conflicts of law thereof.

Section 6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Section 7. Successors and Assigns. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, interests, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**THE KANSAS CITY SOUTHERN RAILWAY
COMPANY**

By: _____
Name:
Title:

MERIDIAN SPEEDWAY LLC

By: _____
Name:
Title:

M

REDACTED

**EXHIBIT M
to Transaction Agreement**

JACKSON HAULAGE AGREEMENT

THIS JACKSON HAULAGE AGREEMENT (this "Agreement") is entered into as of this ____ day of _____, 200__, by and between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSR") and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation ("KCSR"). NSR and KCSR are referred to individually herein as a "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, on December 1, 2005, Kansas City Southern ("KCS"), KCSR, Norfolk Southern Corporation, and The Alabama Great Southern Railroad Company entered into a transaction agreement (the "Transaction Agreement") that, among other things, provided for the creation of Meridian Speedway, LLC ("MSLLC"), the transfer from KCSR, a wholly-owned subsidiary of KCS, to MSLLC of the rail line generally between Meridian, Mississippi and Shreveport, Louisiana (the "Subject Trackage"), and the grant by MSLLC to NSR of certain rights over the entirety of the Subject Trackage pursuant to the NSR Joint Use Agreement; and

WHEREAS, pursuant to an agreement of even date herewith between KCSR and MSLLC (the "Master KCSR-MSLLC Interchange Agreement"), MSLLC and KCSR have documented, among other things, the method for the physical interchange of traffic between KCSR and MSLLC at points on the Subject Trackage; and

WHEREAS, the route traversed by traffic moving pursuant to the NSR Joint Use Agreement over the Subject Trackage includes approximately four-tenths of a mile section of track in Jackson, Mississippi that is controlled by Canadian National (as successor to Illinois Central Gulf Railroad Company) (the "Jackson Trackage Rights Segment") pursuant to that certain trackage rights agreement (the "MSR Trackage Rights Agreement"), as supplemented and amended from time to time, dated March 26, 1986, between Midsouth Rail Corporation and Illinois Central Gulf Railroad Company; and

WHEREAS, pursuant to the Transaction Agreement, KCSR shall provide haulage for NSR over the Jackson Trackage Right Segment until either the MSR Trackage Rights Agreement is assigned to MSLLC or MSLLC constructs a "flyover" bridge to carry MSLLC's tracks over the tracks and real property of Canadian National Railway Company ("Canadian National") at Jackson, MS which establishes a continuous line of rail between Shreveport and Meridian (the "Jackson Flyover"); and

WHEREAS, the Parties desire to set forth the terms and conditions upon which KCSR shall provide haulage services to NSR over the Jackson Trackage Rights Section until either the MSR Trackage Rights Agreement is assigned to MSLLC or MSLLC constructs the Jackson Flyover.

NOW, THEREFORE, the Parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

REDACTED

(a) Interpretation Generally.

(i) Unless otherwise defined herein, 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.

(ii) Unless otherwise defined herein, each capitalized term in this Agreement shall have the same meaning given to said term in the Transaction Agreement.

(iii) Each definition in this Agreement includes the singular and the plural, and references in this Agreement to the neuter gender include the masculine and feminine where appropriate. References herein to any agreement or contract mean such agreement or contract as amended. As used in this Agreement, the word “including” means “without limitation”, and the words “herein”, “hereof” and “hereunder” refer to this Agreement as a whole. All dollar amounts stated herein are in United States currency.

(b) Capitalized Terms.

All capitalized terms shall have the meaning set forth as follows:

“**Agreement**” shall have the meaning given that term in the introductory paragraph.

“**AAR**” shall have the meaning given to that term in Section 2(b)(vii).

“**Canadian National**” shall have the meaning given that term in the Recitals.

“**Cars**” means each loaded or empty railroad freight car (including platform and well rail cars) or similar equipment.

“**Clearance File**” shall have the meaning given that term in Section 2(b)(viii).

“**Discontinuance Notice Period**” shall have the meaning given that term in Section 6(m)(i).

“**Discontinuance Segment**” shall have the meaning given that term in Section 6(m)(i).

“**Effective Date**” shall have the meaning given to that term in Section 76(fe)(i).

“**End Points**” shall mean the end points of the MSR Trackage Rights Agreement.

“**EOTs**” shall have the meaning given to that term in Section 2(b)(ii).

“**Equipment**” shall mean and be confined to hi-rail vehicles, track inspection equipment and other non-revenue vehicles and machinery (other than locomotives) capable of being operated on railroad tracks that, at the time of an occurrence, are (i) being operated on the trackage upon which such occurrence takes place, or (ii) are on the trackage upon which such occurrence takes place, or on the adjoining right-of-way, for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.

REDACTED

“Exercise Notice” shall have the meaning given that term in Section 6(l)(iii).

“Governmental Entity” shall mean any federal, state, local or foreign court, administrative agency or commission or other governmental or regulatory authority or commission or any arbitration tribunal.

“Haulage Services” shall have the meaning given that term in Section 2(a)(i).

“Jackson Flyover” shall have the meaning given to that term in the Recitals.

“Jackson Trackage Rights Segment” shall have the meaning given the term in the Recitals.

“JOC” shall have the meaning given to that term in Section 6(i).

“KCS” shall have the meaning given that term in the Recitals.

“KCSR” shall have the meaning given that term in the introductory paragraph.

“Master KCSR-MSLLC Interchange Agreement” shall have the meaning given that term in the Recitals.

“MSLLC” shall have the meaning given that term in the Recitals.

“MSR Trackage Rights Agreement” shall have the meaning given that term in the Recitals.

“NSR” shall have the meaning given to that term in the introductory paragraph.

“NSR Cars” shall mean Cars and Equipment in the revenue and/or car hire account of NSR.

“NSR Haulage Cars” shall mean NSR Cars being transported pursuant to NSR Haulage Rights.

“Parties” shall have the meaning given that term in the introductory paragraph.

“Party” shall have the meaning given that term in the introductory paragraph.

“STB” shall mean the Surface Transportation Board or successor agency.

“Subject Trackage” shall have the meaning given that term in the Recitals.

“Term” shall have the meaning given that term in Section 6(f)(ii).

“Transaction Agreement” shall have the meaning given to that term in the Recitals.

“Unified Liability Agreement” shall mean that contract of even date herewith entered into among NSR, KCSR and MSLLC governing the apportionment of liability and other matters.

REDACTED

“Waiver Notice” shall have the meaning given that term in Section 6(m)(v).

(c) Successor Laws.

A reference to any particular statute or regulation shall include a reference to any successor statute or regulation.

SECTION 2. GRANT OF HAULAGE SERVICES

(a) Haulage Services Generally.

(i) The haulage services to be provided by KCSR to NSR shall consist of, as applicable, the following (collectively, the rights granted herein are the “Haulage Services”):

(A) the transportation by KCSR of NSR Haulage Cars over the Jackson Trackage Rights Segment;

(B) the movement of bad order NSR Haulage Cars and NSR locomotives to or from repair tracks, provided, that NSR will be billed separately for repairs to such equipment performed by KCSR pursuant to Section 2(b)(v) of this Agreement;

(C) such mechanical or other inspection of NSR Haulage Cars and Locomotives as may be prescribed by regulation or KCSR’s operating practices; and

(D) provision of supervision as required.

(ii) Nothing in this Section 2(a) shall be interpreted as requiring NSR to pay for any service not used.

(iii) NSR Haulage Cars shall at all times remain in the revenue waybill and car hire accounts of NSR while moving in Haulage Service on the Jackson Trackage Rights Segment. KCSR shall not be entitled to any line haul revenue for the handling of NSR Haulage Cars, nor shall KCSR participate in the routing of, nor appear in tariffs, waybills or other shipping documents as a participating carrier in connection with, the movement of NSR Haulage Cars. As between NSR and KCSR, NSR shall be responsible for all mileage and car hire charges accruing on NSR Haulage Cars, and NSR shall report and pay, or arrange to have reported and paid, all appropriate allowances and charges directly to the owner(s) of such cars.

(b) Conduct Of Operations.

(i) NSR shall deliver and receive, or shall cause MSLLC to deliver and receive, NSR Haulage Cars to and from KCSR at the endpoints of the Jackson Trackage Rights Segment pursuant to applicable interchange terms and conditions as may from

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time to time govern, in the case of delivery by NSR, or pursuant to the Master KCSR-MSLLC Interchange Agreement, in the case of delivery by MSLLC.

(ii) NSR shall make available, or shall cause MSLLC to make available, via EDI transmission (or by such other means as may be mutually agreed by said parties), information necessary for the further handling and movement of NSR Haulage Cars. Such information shall include, for each car:

(A) Car initial and number.

(B) Loaded or empty.

(C) All required hazardous materials information.

(D) Such other information as the parties may agree to be necessary or convenient for the safe and efficient exchange and further movement of such Cars.

(iii) The Parties continue to be bound by the Supplemental Agreement dated May 11, 2000, to the Master Locomotive Run Through Agreement of November 29, 1994, attached hereto as Appendix B and the Amendment No. 1 to the Haulage Agreement dated February 1, 2002. KCSR shall not be responsible for providing any equipment (locomotives, cars, end of train units ("EOTs"), etc.), or fuel for the trains providing the Haulage Services.

(iv) Subject to Canadian National's management of the Jackson Trackage Rights Segment, as between NSR and KCSR, KCSR shall have exclusive management and control over the movement of trains containing NSR Haulage Cars while on the Jackson Trackage Rights Segment.

(v) NSR may operate trains pursuant to Section 2(a) or Section 2(b) in either direction over the Subject Trackage.

(vi) KCSR shall have no right to fill out any trains carrying NSR Haulage Cars with any Cars or Equipment while on the Jackson Trackage Rights Segment.

(vii) KCSR may arrange for such repairs to NSR Haulage Cars, and adjustments to or transfers of lading from bad ordered, defective or overloaded NSR Haulage Cars, as in KCSR's judgment may be necessary to move such NSR Haulage Cars safely. NSR shall reimburse KCSR for the cost of such work at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the Association of American Railroads ("AAR").

(viii) NSR shall have the right to tender all dimensional loads and excess clearance Cars for handling by KCSR over the Jackson Trackage Rights Segment, subject to a clearance file (the "Clearance File") applicable to traffic of all Parties maintained by KCSR. KCSR shall promptly inform NSR of any changes made to the Clearance File.

REDACTED

(ix) NSR may use the haulage rights granted hereunder solely for the purpose of bridging traffic between the End Points of the Jackson Trackage Rights Segment, and such rights do not include the right of ingress and egress to any tracks, switches, turnouts, or other track classifications that connect to any point along the Subject Trackage except the End Points.

(x) NSR may not, pursuant to this Agreement, grant haulage rights, trackage rights, or other operating rights of any nature on or over the Jackson Trackage Rights Segment.

(c) Service Standards.

(i) It is the intent of the Parties that KCSR shall generally accord NSR Haulage Cars the same level of service as KCSR provides to all other traffic of the same type moving over the Jackson Trackage Rights Segment.

(ii) NSR shall provide KCSR with reasonable notice of the schedules for regularly scheduled haulage trains operating over the Jackson Trackage Rights Segment and KCSR shall attempt to accommodate such schedules but does not guarantee that it will do so.

(iii) Nothing herein shall be interpreted as prohibiting KCSR from transporting NSR Haulage Cars in a continuous movement operating over both the haulage routes covered by: (i) this Agreement and, as Designated Operator for MSLLC under the Operating Agreement, (ii) the NSR Joint Use Agreement.

SECTION 3. INFRASTRUCTURE MAINTENANCE

(a) KCSR does not guarantee the condition of the Jackson Trackage Rights Segment or that operations thereover will not be interrupted. KCSR shall take reasonable steps to ensure that any interruptions will be kept to a minimum and shall use commercially reasonable efforts to avoid such interruptions.

(b) Existing connections or facilities, which are jointly used by the Parties hereto under existing agreements, 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.

SECTION 4. MANAGEMENT OF THE JACKSON TRACKAGE RIGHTS SEGMENT

(a) Control And Dispatching

(i) Subject to Canadian National's management of the Jackson Trackage Rights Segment, as between KCSR and NSR, KCSR shall have exclusive control of the management and operation (excluding dispatching) of the Jackson Trackage Rights Segment. Operation and control of the Jackson Trackage Rights Segment shall be conducted in a manner as to afford each of the Parties, and any other present or future

REDACTED

user of the Jackson Trackage Rights Segment (or any portion thereof) the most economical and efficient movement of its traffic.

(ii) The maximum length of NSR Trains (including locomotives and other motive power units) operating pursuant to this Agreement shall be the greater of: (a) 7,500 feet or (b) the maximum train length as may be permitted from time to time for any other train regularly operated over the Jackson Trackage Rights Segment.

(b) Capacity

Notwithstanding any other provisions of this Agreement, the Parties acknowledge that there may be capacity constraints from time to time for traffic covered under this Agreement. Further, the Parties acknowledge that NSR is allocated certain overhead train starts pursuant to the NSR Joint Use Agreement. Whenever capacity of the Jackson Trackage Rights Segment is insufficient to handle the total traffic demands of users of the same, the capacity allocation rules in the NSR Joint Use Agreement will apply with equal force over the Jackson Trackage Rights Segment, subject to Canadian National's management of the Jackson Trackage Rights Segment. Nothing in this Section 4(b) shall be interpreted as requiring NSR to pay for any service not used.

(c) Loss of Use of the Jackson Trackage Rights Segment.

(i) Other than as specifically set forth in this Agreement, NSR shall not have, pursuant to this Agreement, any claim against KCSR for liability on account of loss or damage of any kind in the event the use of the Jackson Trackage Rights Segment by NSR Haulage Cars is interrupted or delayed at any time from any cause.

(ii) If the Jackson Trackage Rights Segment is unavailable for service due to a derailment, line outage or other interruption of service, then KCSR shall cooperate and consult with NSR in order to address any resulting backlog of trains over a period of time following the resolution of such derailment or other interruption as may be required to reduce such backlog of NSR Traffic or NSR Trains.

SECTION 5. ASSIGNMENT

The terms and provisions of this Agreement contemplate that the MSR Trackage Rights Agreement have not been assigned by KCSR to MSLLC. If the MSR Trackage Rights Agreement is lawfully assigned from KCSR to MSLLC as contemplated by the Transaction Agreement, or should the Jackson Flyover be constructed and become operational, then this Agreement shall terminate, except that any liability accruing while this Agreement is in effect shall not be extinguished or diminished by such termination.

SECTION 6. GENERALLY APPLICABLE PROVISIONS

(a) Compliance with Applicable Law and Rules.

(i) Each Party hereto shall comply with all applicable and lawful federal, state and local laws, rules, regulations and orders promulgated by any government or

REDACTED

governmental agency that relate to the operations contemplated hereunder. If any fine, penalty, cost, or charge is imposed or assessed on or against either Party hereto by reason of the other Party's non-compliance with any such laws, rules, regulations or orders, liability will be allocated in accordance with the Unified Liability Agreement.

(ii) Without affecting the generality of the foregoing Section 6(a)(i), the Parties shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other lawful federal and state and local 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. Liability for a violation of this section shall be determined in accordance with Unified Liability Agreement.

(b) Compensation.

The compensation payable by NSR to KCSR for the services provided hereunder shall be [].

(c) Liability.

As between the Parties hereto, responsibility for any loss or destruction of, or damage to, any property whatsoever, and any injury to or death of any person or persons whomever (including employees of NSR or KCSR), resulting from, arising out of, incidental to or occurring in connection with this Agreement shall be allocated as is set forth in the Unified Liability Agreement.

(d) Rerailing, Wrecking, Bad Orders and Repairs.

(i) Whenever NSR Haulage Cars require rerailing, wrecking service or wrecking train service, KCSR shall arrange for the provision of such service, including the repair and restoration of roadbed, the Jackson Trackage Rights Segment and structures. KCSR shall promptly inform NSR of its intent to proceed with wrecking service or wrecking train service, and shall permit a NSR representative to be present on the scene, to work in concert with KCSR's employees to manage such wrecking service or wrecking train service. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and 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 6(c) hereof. All Locomotives, Cars, Equipment and salvage from the same so picked up and removed which is owned by or under the management and control of or used by NSR at the time of such wreck, shall be promptly delivered to it.

(ii) If any NSR Haulage Cars or NSR locomotives are bad ordered en route on the Jackson Trackage Rights Segment and it is necessary that they be set out, those Cars or locomotives shall, after being repaired, be transported by KCSR to be picked up by NSR. KCSR may, upon request of NSR and at the expense of NSR, unless otherwise

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provided for in the Field and Office Manuals of the Interchange Rules of the AAR, furnish required labor and material to perform light repairs required to make such bad ordered cars or locomotives safe and lawful for movement, and billing for this work shall be at rates prescribed in, and submitted pursuant to, the Field and Office Manuals of the Interchange Rules of the AAR.

(e) Force Majeure.

The obligations, other than payment obligations, of the Parties to this Agreement shall be subject to force majeure (including flood, earthquake, hurricane, tornado, or other such severe weather or climatic condition, riot, accident, wreck, derailment, washout, explosion, Acts of God, act of terrorism and public enemy, war, blockage, insurrection, vandalism or sabotage, fire, strike, lockout or labor dispute, embargoes or AAR service orders, or governmental laws, orders or regulations, and other causes or circumstances beyond the control of the Party invoking such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall reasonably prevent performance of such obligations by the affected Party. In the event that an event of force majeure impairs either Party's ability to fulfill its obligations to the other Party under this Agreement, said Party shall take all commercially reasonable measures to restore performance of its obligations in a timely manner.

(f) Term and Termination.

(i) This Agreement shall become effective following the latest date of: (a) the date first written above; (b) receipt of any required regulatory approvals or exemptions; and (c) the expiration of any time periods required by the issuance of labor notices by NSR and/or KCSR, should such labor notices be required ("Effective Date"). The Parties shall determine the Effective Date through an exchange of written correspondence.

(ii) This Agreement shall commence on the Effective Date, and, except as provided in Section 5, shall continue until terminated in writing jointly by the Parties (the "Term").

(iii) Termination of this Agreement shall not relieve or release any Party hereto from any obligations assumed or from any liability which may have arisen or been incurred by such Party under the terms of this Agreement prior to termination.

(g) Successors and Assigns.

(i) This Agreement shall inure to the benefit of and be binding upon each of the Parties and their respective successors and permitted assigns.

(ii) Except as otherwise specifically provided hereinafter, neither Party may assign this Agreement, or any of its rights, interests or obligations hereunder, including by operation of law, without the prior consent in writing of the other Party, which consent may be withheld at the discretion of such other Party.

REDACTED

(iii) In the event of a sale of substantially all of the assets or business of NSR, or the merger or consolidation of NSR into or with a firm or corporation not controlled by NSC, NSR may, without the prior consent of KCSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of NSR, or merging or consolidating with NSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of NSR under this Agreement that existed prior to such assignment.

(iv) In the event of any of the following, KCSR shall, without the prior consent of NSR, assign this Agreement to such firm or corporation acquiring substantially all of the assets or business of KCSR, or merging or consolidating with KCSR: (A) a sale of substantially all of the assets or business of KCSR; or (B) the merger or consolidation of KCSR; provided, however, that such assignment shall not transfer or extinguish any liability or obligation of KCSR under this Agreement that existed prior to such assignment.

(h) Notice.

Any notice required or permitted to be given by one Party to the other Party 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:

(i) If to KCSR:

Chief Operating Officer
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

with a copy to:

Senior Vice President and General Counsel
The Kansas City Southern Railway Company
P.O. Box 219335
Kansas City, MO 64121-9335

(ii) If to NSR:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Senior Director – Joint Facilities
Norfolk Southern Corporation

REDACTED

1200 Peachtree Street, N.E., Box 158
Atlanta, Georgia 30309

Either Party may provide notice of changes in the above addressees to the other Party by personal service or certified mail.

(i) Arbitration.

Any dispute arising between the Parties with respect to an alleged breach of this Agreement shall be referred to the Joint Operating Committee ("JOC"), as defined in the NSR Joint Use Agreement, for resolution, and if the JOC is unable to resolve the dispute, it shall be referred to the Management Committee, provided however, that any Member (as defined in the LLC Agreement) may submit the dispute for binding arbitration by a panel of three independent arbitrators before the American Arbitration Association under the Commercial Arbitration Rules, who shall render a written decision on the controversy. The written decision of the arbitrators, acting by reached upon majority vote, shall be final and conclusive upon the Parties. Each Party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, experts, and counsel. The compensation, costs, and expenses of the three arbitrators, if any, shall be borne by NSR and KCSR, with each paying 50 percent of such compensation, costs, and expenses. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. Pending the written decision of the arbitrators, there shall be no interruption in the transaction of business under this Agreement, and all payments in respect thereto shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been fully determined by arbitration, and thereupon such payment or restitution shall be made as required by the written decision of the arbitrators.

(j) Confidentiality.

(i) Except as provided by law or by rule, order, or regulation of any Governmental Entity or the New York Stock Exchange, or in connection with an audit by the Internal Revenue Service or other taxing authority, or as may be necessary or appropriate for a Party hereto to enforce its rights under this Agreement, during the Term, and for a period of three (3) years after termination of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or which is obtained hereunder will be kept confidential and will not be disclosed by either Party to any person other than members, officers, employees, independent auditors, and attorneys, without the prior written approval of the other Party.

(ii) Notwithstanding the foregoing Section 6(j)(i), the Parties acknowledge and agree that in any STB proceeding, the Parties may be required to submit this Agreement into the record. The Parties will seek a protective order to protect the payment provisions of this Agreement. Following issuance of a protective order, a copy (with certain confidential provisions redacted) may be entered into the public STB record and a highly confidential unredacted copy of this Agreement may be entered into the STB record subject to the provisions of the applicable protective order.

REDACTED

(k) Breach of this Agreement.

(i) Each Party acknowledges and agrees that the other Party would be irreparably damaged in the event any of the provisions of this Agreement were not performed by it in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions to prevent further breaches of such provisions and to specifically enforce such provisions, in addition to any other remedy to which such entity may be entitled, at law or in equity.

(ii) In no event shall either or KCSR or NSR (including, in each case, their affiliates) be liable to the other for any consequential, indirect, incidental, punitive or other similar damages including, but not limited to, lost profits for any breaches or defaults, or any act or omission arising out of or in any way relating to this Agreement, under any form or theory of action whatsoever, whether in contract, tort or otherwise.

(l) Claims.

The Parties shall agree between themselves on the most fair, practical, and efficient arrangements for handling and administering freight loss and damage claims. Such arrangements, and the allocation of responsibility for such claims, shall be subject to the provisions of the Unified Liability Agreement.

(m) Discontinuance of Operations.

(i) KCSR shall have the right, subject to securing any necessary regulatory approval or exemption, to discontinue operations over the Jackson Trackage Rights Segment or any portion thereof during the term of this Agreement. For any portion of the Jackson Trackage Rights Segment that requires regulatory authority for the discontinuance of operations ("Discontinuance Segment"), KCSR shall provide NSR no less than ninety (90) days prior notice ("Discontinuance Notice Period") of its intention to seek regulatory authority to discontinue operations over any Discontinuance Segment.

(ii) If KCSR elects to discontinue operations over the Jackson Trackage Rights Segment (or any portion thereof) pursuant to this Agreement, the provisions of this Agreement shall continue to apply in all respects to any remaining portion of the Jackson Trackage Rights Segment not discontinued by KCSR.

(iii) KCSR shall, not less than 90 days prior to any submission to the Surface Transportation Board (or successor agency having jurisdiction over said discontinuance) of an application or exemption for authority to discontinue operations over any Discontinuance Segment(s), offer to assign this Agreement to NSR without charge, and KCSR shall use all commercially reasonable efforts to effect an assignment of the MSR Trackage Rights Agreement to NSR if NSR shall so elect. NSR shall give KCSR written notice ("Exercise Notice") of its decision to accept the assignment of this Agreement and the MSR Trackage Rights Agreement within the Discontinuance Notice Period.

(iv) The Parties shall consummate the assignment contemplated by this Section 6(m) within forty-five (45) days of the latest of: (a) the delivery of the Exercise

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Notice; and (b) the grant of authority, or exemption from the need to obtain a grant of authority, from any regulatory body having jurisdiction over the same.

(v) If NSR elects not to take an assignment of this Agreement, it shall so advise KCSR within the Discontinuance Notice Period by delivering to KCSR a notice of waiver of right to take the assignment ("Waiver Notice"). Failure of NSR to provide KCSR with either an Exercise Notice or a Waiver Notice within the Discontinuance Notice Period shall constitute a Waiver Notice.

(vi) In the event of a Waiver Notice, KCSR shall promptly file such application, petition or exemption notice as may then be required to obtain regulatory authority or exemption for the discontinuance of its operations over the Jackson Trackage Rights Segment.

(n) Miscellaneous Provisions.

(i) This Agreement and each and every provision hereof is 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 of any third party to recover by way of damages or otherwise against any of the Parties hereto.

(ii) This Agreement contains the entire understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all oral understandings between the Parties.

(iii) No term or provision of this Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by all Parties.

(iv) The division of this Agreement into articles, sections and subsections and the insertion of headings and references are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, all references to articles, sections or subsections are to articles, sections or subsections of this Agreement.

(v) This Agreement is the result of mutual negotiations between the Parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

(vi) No consent or waiver, expressed or implied, by a Party of any breach or default by the other Party in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance hereunder by such other Party. Failure on the part of a Party to complain of any act or failure of the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned Party of its rights hereunder.

(vii) If any provision of this Agreement or the application thereof to any Party hereto or to any circumstance shall be determined by a court of competent jurisdiction to

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be invalid or unenforceable to any extent or for any reason, the remainder of this Agreement or the application of the provisions thereof to such Party or circumstance, other than those determined to be invalid or unenforceable, shall not be affected thereby and shall be enforced to the fullest extent permitted by law, and the Parties shall promptly enter into such other agreement(s) as their respective legal counsel may deem appropriate in order to replace such invalid or unenforceable provisions in a manner that produces a result which is substantially equivalent to the terms of this Agreement in all material respects.

(viii) Nothing herein shall be interpreted as creating an association, partnership, joint venture or other joint undertaking between KCSR and NSR.

(ix) This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without regard to application of the choice of law principles thereof.

(x) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

As to KCSR.

By: _____

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

As to NSR.

By: _____