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July 30, 2013

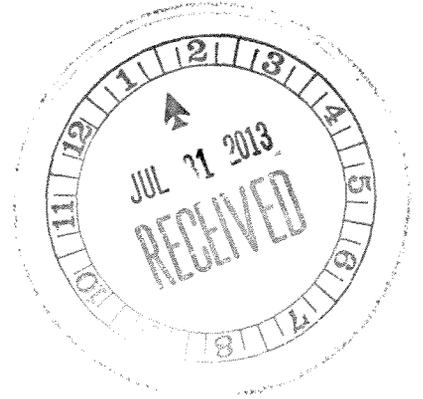
VIA FEDERAL EXPRESS

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

FEE RECEIVED

JUL 31 2013

SURFACE
TRANSPORTATION BOARD



FILED

JUL 31 2013

SURFACE
TRANSPORTATION BOARD

Re: **Finance Docket No. 35753**
Illinois Central Railroad Company--Trackage
Right Exemption--BNSF Railway Company

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of a **Verified Notice of Exemption of Illinois Central Railroad Company Pursuant to 49 C.F.R. § 1180.2(d)(7)**, dated July 30, 2013. A check in the amount of **\$1,200.00**, representing the appropriate fee for this filing, is attached.

One extra copy of this transmittal letter and of the Notice also is enclosed. I would request that you date-stamp those copies to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,

Audrey L. Brodrick
Attorney for Illinois Central Railroad Company

ENTERED 13
Office of Proceedings

JUL 31 2013

Part of
Public Record

ALB:dg
Enclosures

234609

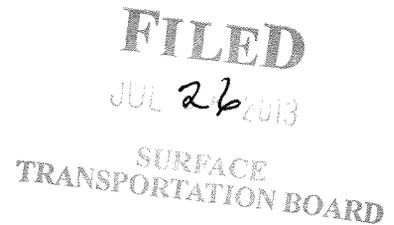
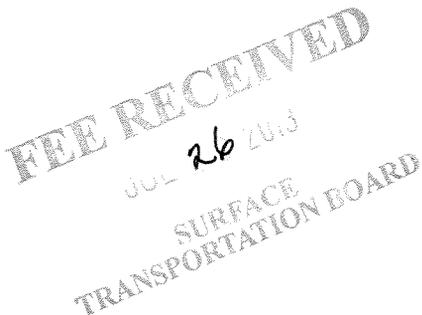
BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35753

ILLINOIS CENTRAL RAILROAD COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
BNSF RAILWAY COMPANY



**VERIFIED NOTICE OF EXEMPTION OF
ILLINOIS CENTRAL RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)**



Thomas J. Healey
Counsel - Regulatory
CN
17641 South Ashland Avenue
Homewood, Illinois 60430
(708) 332-4381

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1518

ENTERED
Office of Proceedings

JUL 26 2013

Part of
Public Record

**ATTORNEYS FOR ILLINOIS CENTRAL
RAILROAD COMPANY**

Dated: July 30, 2013

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35753

ILLINOIS CENTRAL RAILROAD COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
BNSF RAILWAY COMPANY

**VERIFIED NOTICE OF EXEMPTION OF
ILLINOIS CENTRAL RAILROAD COMPANY
PURSUANT TO 49 C.F.R. § 1180.2(d)(7)**

Illinois Central Railroad Company ("IC"), a wholly owned, indirect subsidiary of Canadian National Railway Company, and a common carrier by rail, hereby files this verified notice of exemption under 49 C.F.R. § 1180.2(d)(7) for its acquisition of overhead trackage rights over a line of railroad of BNSF Railway Company's ("BNSF") between CN Junction at approximately milepost 483.8 and KC Junction, at approximately milepost 485.8 on BNSF's Thayer South Subdivision located in Memphis, Shelby County, Tennessee, a distance of approximately 2.0 miles.

In accordance with the requirements of 49 C.F.R. § 1180.4(g), IC submits the following information:

Description of the Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

Pursuant to a written trackage rights agreement dated as of June 17, 2013 between IC and BNSF, IC proposes to acquire non-exclusive overhead trackage rights over BNSF's line of railroad between its connection with IC at the CN Junction at approximately milepost 483.8 and its connection with IC at KC Junction at approximately milepost 485.8 in Memphis, Tennessee, Shelby County, a distance of approximately 2.0 miles ("Joint Trackage"). Under the

terms of the parties' agreement, the grant of trackage rights permits trains in IC's account to operate in both directions between CN Junction and KC Junction at a maximum total of four trains in any 24 hour period unless BNSF, in its sole discretion, allows for more movement.

The full name and address of the applicant carrier herein is as follows:

Illinois Central Railroad Company
17641 South Ashland Avenue
Homewood, Illinois 60430
(708) 332-4381

Any questions concerning this Notice should be sent to IC's representative at the following address:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1518

Proposed Time Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

IC intends to consummate the exemption authority proposed in this notice on or after August 30, 2013.

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The agreement between BNSF and IC granting IC trackage rights over the Joint Trackage is for the sole purpose of allowing IC to interchange loaded and empty cars with Norfolk Southern ("NS") at NS's Forrest Yard.

States in Which Applicant's Property is Located: 49 C.F.R. § 1180.6(a)(5)

IC owns and operates over rail property in the States of Illinois, Kentucky, Tennessee, Alabama, Louisiana, and Mississippi.

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

A map of the rail line over which IC proposes to acquire trackage rights is attached hereto as Exhibit 1.

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

A redacted copy of the Trackage Rights Agreement dated as of June 17, 2013 between IC and BNSF is attached hereto as Exhibit 2. An unredacted copy of the Trackage Rights Agreement is being filed separately along with a motion for protective order.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

As a condition to this exemption, IC agrees to the employee protective conditions established in Norfolk and Western Ry. Co. -- Trackage Rights -- BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry. Inc. -- Lease and Operate, 360 I.C.C. 653 (1980).

Caption Summary: 49 C.F.R. § 1180.4(g)(2)(i)

A caption summary of this transaction suitable for publication in the *Federal Register* is attached hereto as Exhibit 3.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(4), the proposed acquisition of trackage rights by IC is exempt from environmental reporting requirements. Under 49 C.F.R. § 1105.8(b)(3), IC proposed trackage rights acquisition also is exempt from historic preservation reporting requirements.

Respectfully submitted,

By: Audrey L. Brodrick

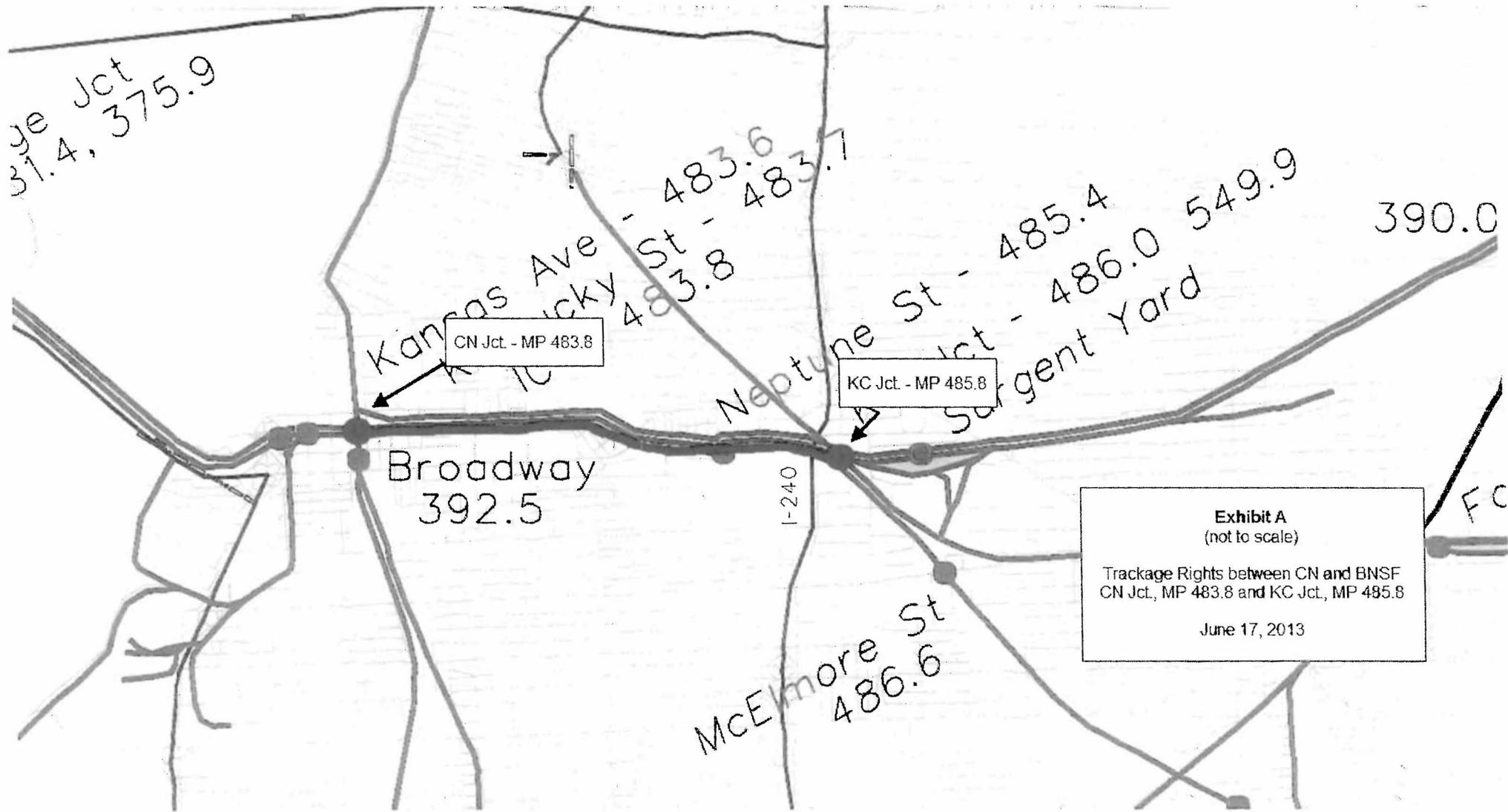
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**ATTORNEYS FOR ILLINOIS CENTRAL
RAILROAD COMPANY**

Dated: July 30, 2013

EXHIBIT 1



Memphis, TN

Exhibit A
(not to scale)
Trackage Rights between CN and BNSF
CN Jct., MP 483.8 and KC Jct., MP 485.8
June 17, 2013

**TRACKAGE RIGHTS AGREEMENT
BETWEEN BNSF RAILWAY AND IC RAILROAD**

THIS AGREEMENT, made and entered into this 17th day of June, 2013 ("Agreement Date") by and between **BNSF RAILWAY COMPANY**, a Delaware corporation, hereinafter called "BNSF" or "Owner", and **ILLINOIS CENTRAL RAILROAD COMPANY**, hereinafter called "CN" or "User".

WHEREAS, BNSF is the owner and operator of certain lines of railroad extending between CN Junction, MP 483.8 (approximate) and KC Junction, MP 485.8 (approximate) on the BNSF Thayer South Subdivision; and

WHEREAS, CN desires to obtain trackage rights upon certain lines of BNSF's railroad, for the sole purpose of bridging its train service to reach the Norfolk Southern Railway Company, hereinafter called "NS", for interchange with NS at Forrest Yard; and

WHEREAS, BNSF is agreeable to said trackage rights but only on the terms and conditions hereinafter set forth.

NOW, THEREFORE, it is mutually agreed by and between the parties.

Section 1. **TRACKAGE SUBJECT TO AGREEMENT**

Attached hereto, marked Exhibit "A" and by this reference incorporated herein, is a print, which depicts the portion of line of BNSF railroad over which CN shall be granted trackage rights between CN Junction, MP 483.8 (approximate) and KC Junction, MP 485.8 (approximate) on the BNSF Thayer South Subdivision, hereinafter referred to as the "Joint Trackage" (as further defined in Exhibit "B" of this agreement, attached hereto and by this reference incorporated herein).

Section 2. **GRANT OF TRACKAGE RIGHTS**

The General Conditions covering the grant of trackage rights are set forth in Exhibit "B". If any conflict between Exhibit "B" and this Agreement shall arise, the provisions of this Agreement shall prevail. Subject to the terms and conditions of Exhibit "B" of this Agreement, BNSF grants to CN the nonexclusive right to use the Joint Trackage (as defined in Exhibit "B" of this Agreement) that is in its account while moving over the Joint Trackage in common with BNSF and such other railroad company or companies as BNSF has heretofore admitted or may hereafter at any time admit to the joint use of any and all of the Joint Trackage, such other railroad company or companies to hereinafter be considered BNSF for the purpose of this agreement. Except as expressly provided otherwise herein, said grant of rights shall be solely for CN freight trains in CN's account to operate in both directions between CN Junction and KC Junction a distance of 2.0 miles and CN will be limited to a total of four (4) trains a day (twenty four (24) hour period). Traffic in excess of this limit is subject to the sole and absolute discretion of BNSF.

It is understood and agreed that:

(a) CN shall not have the right to:

- (1) Switch industries or transload upon the Joint Trackage; or
- (2) Set out, pick up or store Equipment upon the Joint Trackage, or any part thereof, except as otherwise provided in **Exhibit "B"**; or
- (3) Serve any industry, team or house track, transload, intermodal or auto facility now existing or hereafter located along the Joint Trackage; or
- (4) Enter into or make a contract or agreement for the handling of CN Equipment over or upon the Joint Trackage, or any portion thereof, or the Equipment of any third party which in the normal course of business would not be considered the Equipment of CN, including but not limited to CN performing haulage services for a third party; provided, however, that the foregoing shall not prevent CN, pursuant to a run-through agreement with any other railroad, from using the locomotives of another railroad as its own under this Agreement; or
- (5) Connect with itself at any location on or along the Joint Trackage other than at the ingress and egress location as depicted in Exhibit A; or
- (6) Connect with any other railroad or other party at any location on or along the Joint Trackage other than at the ingress and egress location as depicted in Exhibit A; or
- (7) Build-in to or build out from any point on or along the Joint Trackage; or
- (8) Interchange with any other railroad or other party on or along the Joint Trackage; or
- (9) Provide any passenger service of any kind or handle or operate passenger trains on or along the Joint Trackage; or
- (10) Transport Dimensional Traffic on or along the Joint Trackage without first obtaining permission from BNSF; or
- (11) Permit or admit any third party to use all or any portion of the Joint Trackage, nor have the right to detour trains of any other railroad over or upon the Joint Trackage;

(12) Load or unload cars on or along the Joint Trackage, except as permitted by this Agreement or the General Conditions or incidental to cleaning derailments or other similar emergencies; or

(13) Stop its trains on or along the Joint Trackage without specific permission or direction of BNSF, except for emergency circumstances; or

(14) Effect crew changes on or along the Joint Trackage, except as emergency circumstances may require.

(c) CN shall qualify its crew members as pilots and provide pilots or qualified crews on all CN trains prior to entering BNSF trackage.

(d) CN locomotives shall have sufficient fuel for the entire movement on BNSF and CN will be responsible for the 1,000 mile inspection of their trains.

(e) CN's trackage rights are for the sole purpose of ingressing and egressing NS trackage at Forrest Yard in the performance of interchange of loaded and empty cars between CN and NS, and for no other purpose whatsoever.

Section 3. MAINTENANCE AND OPERATION OF TRACKAGE

BNSF, at its expense, shall maintain, repair and renew the Joint Trackage in a manner permitting operation at no less than the track standard designated in the timetable in effect on the date of this agreement and permit CN to operate at such speeds unless by mutual written agreement a different standard is provided. In the event that for, operating convenience, necessity or emergency, BNSF permits or directs CN to use adjacent BNSF track and track connections between or beyond the terminal of the Joint Trackage as an alternative route, then and in such event, such trackage, track connections and appurtenances shall be deemed to be part of the Joint Trackage and shall be governed by all the provisions of this Agreement.

Section 4. LIMITATIONS AND MEASUREMENT OF TRACKAGE RIGHTS TRAINS

CN and BNSF agree that CN's use of the trackage rights granted herein shall be for a maximum of four (4) CN trains per day (twenty-four (24) hour period) and any extra train may be authorized by BNSF operating personnel at BNSF's sole and absolute discretion. Trains shall not exceed 7,500 feet (including locomotives) and have a minimum horse-power per ton ratio ("HPT") of 1.0 except that BNSF will accept CN trackage rights trains of similar size and operating characteristics as BNSF's own trains, consistent with available capacity, mainline and siding restrictions, operating rules such as designated horsepower per ton, maximum train length, and maximum gross tonnage parameters that similarly govern BNSF and other users trains over the Joint Trackage.

There may be situations where BNSF will not allow CN train operation on the Joint Trackage due to capacity limitations, force majeure events, or any other reason provided that all trains of

BNSF, CN and any other users shall be treated equally and operated and dispatched without prejudice or partiality except for passenger trains which will have priority. In the event of refusal to grant such CN train operation on the Joint Trackage, CN shall have no claim of any nature against the BNSF by reason of such refusal provided that the trains of BNSF, CN and any other users are treated equally and operated and dispatched without prejudice or partiality.

Section 5. COMPENSATION

Section 7. LIABILITY

Any liability for loss, damage, injury or death which arises from the operation under this Agreement shall be assumed, settled and paid as provided by Exhibit "B", General Conditions, attached hereto.

Section 8. SETTLEMENT OF PRIOR DETOUR CHARGES

Section 9. TERM AND TERMINATION

Subject to the provisions of Section 8.2 and 8.3 of Exhibit "B", this agreement shall become effective on Agreement Date, subsequent to having secured all necessary consent, approval or authority from appropriate governmental agencies upon terms and conditions satisfactory to CN, and shall remain in effect until December 17, 2026. Upon expiration or termination of this Agreement, all obligations (including, without limitation, obligations to remit fees and obligations of indemnity) arising or accruing prior to such termination or expiration and all provisions of this Agreement necessary to enforce and resolve same shall survive and remain enforceable.

Upon termination or expiration of the term of this Agreement, User shall within sixty (60) days following such termination or expiration initiate and thereafter diligently prosecute any action to obtain approval from the Surface Transportation Board (STB) or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights granted hereunder, and in such event, User further agrees to reimburse Owner for all costs reasonably incurred to prosecute to conclusion such abandonment or discontinuance authority.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate the day and year first above written.

WITNESS:

Tris Stone

THE BNSF RAILWAY COMPANY

By:

M. J. Fox

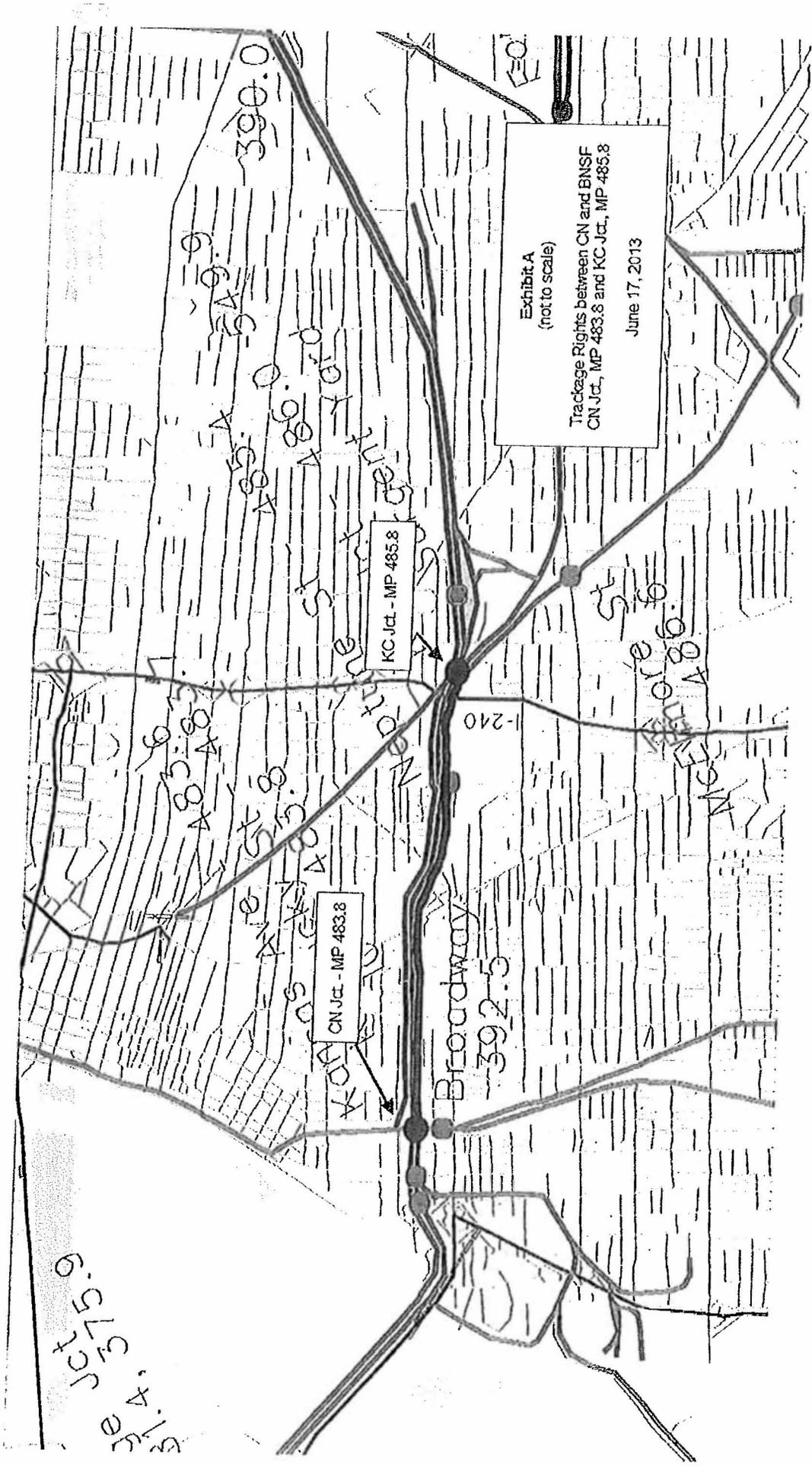
WITNESS:

John E. Munn

ILLINOIS CENTRAL RAILROAD COMPANY

By:

Paul E. Ladue



GENERAL CONDITIONS

Section 1. DEFINITIONS

1.1 "Agreement" shall mean that certain agreement to which this Exhibit "B" is appended. The term "Agreement" will include this Exhibit "B".

1.2 "Owner" shall mean the party granting the right to use the Joint Trackage (as that term is hereinafter defined).

1.3 "User" shall mean the party granted by the Agreement the right to use the Joint Trackage.

1.4 "Joint Trackage" shall mean trackage of Owner as described in the Agreement including necessary right-of-way and appurtenances and support facilities thereof, and all Changes in and/or Additions to (as that term is hereinafter defined), thereto now or in the future located as are required or desirable for the operation of the trains of the parties hereto.

1.5 "Equipment" shall mean trains, locomotives, cars, cabooses, vehicles, and machinery which are capable of being operated on railroad tracks, or operated on right-of-way for purpose of the maintenance or repair thereof.

1.6 "STB" shall mean the Surface Transportation Board of the United States Department of Transportation or any successor agency.

Section 2. MAINTENANCE CHANGES IN AND/OR ADDITIONS, OPERATION AND CONTROL

2.1 User shall construct, maintain, repair, and renew, at its sole cost and expense, and shall own such portions of the tracks which connect the respective lines of the parties at the termini of the Joint Trackage as are located on the right-of-way of User and to the clearance point in right-of-way of Owner subject to the terms and conditions of existing agreements or practices. Owner grants to User a license over that portion of Owner's property between right-of-way line and clearance point in order for User to maintain such trackage. Owner shall construct, maintain, repair, and renew, at the sole cost and expense of User, and shall own the portions of the track connections between said tracks of the parties hereto between the headblock and clearance point located on the right-of-way of Owner.

2.2 The construction, maintenance, repair, and renewal of the Joint Trackage shall be under the exclusive direction and control of Owner. Owner shall make any changes in and/or additions to the Joint Trackage which may be required by law, and progressively during construction these shall become part of the Joint Trackage. Owner may make any changes in and/or additions to the Joint Trackage which Owner deems necessary or desirable for the safe, efficient, and economical use of the Joint Trackage by the parties, and these shall progressively

during construction become part of the Joint Trackage. User may request changes in and/or additions to the Joint Trackage which User shall deem necessary or desirable for the safe, efficient, and economical use of the Joint Trackage by the parties, and Owner shall, if it concurs, construct the same upon such terms and conditions as may be agreed upon and they shall become part of the Joint Trackage. Owner shall make no retirement, withdrawal, elimination or disposal of any part of the Joint Trackage which would permanently or materially impair the usefulness thereof to User.

2.3 The management and operation of the Joint Trackage shall be under the exclusive direction and control of Owner. Owner shall have the unrestricted power to change the management and operations on and over the Joint Trackage as in its judgment may be necessary, expedient, or proper for the operations thereof herein intended.

2.4 Owner shall have sole charge of all construction, operation, maintenance, repair, and renewal of the Joint Trackage. Owner shall be bound to use only reasonable and customary care, skill, and diligence in the construction, operation, maintenance, repair, and renewal of the Joint Trackage and in managing same. Notwithstanding anything to the contrary contained in the Agreement, User shall not, by reason of Owner's performing or failing or neglecting to perform any construction, operation, maintenance, repair, renewal, or management of the Joint Trackage, have or make against Owner any claim or demand for any loss, damage, destruction, injury, or death whatsoever resulting therefrom.

2.5 User, at its expense, shall install and maintain upon its Equipment such equipment, radios, or devices as may now or in the future be necessary or appropriate, in the reasonable judgment of Owner, for operation of trains upon the Joint Trackage. User will not, however, be required to install any equipment or devices not in use on Equipment of Owner.

2.6 If the use of the Joint Trackage shall at any time be interrupted or traffic thereon or thereover be delayed for any cause, neither party shall have or make any claim against the other for loss, damage, or expense of any kind, caused by or resulting from such interruption or delay.

2.7 Owner may from time to time substitute any track or tracks for those delineated in the Agreement for use by User provided there shall at all times be afforded User a continuous route of equal utility for the operations of its Equipment within the termini of the Joint Trackage. When such tracks which are not part of the Joint Trackage are used as provided herein, the Agreement shall govern for purposes of direction and control and liability as if all movement had been made over the Joint Trackage.

2.8 Each party shall be responsible for furnishing, at its own expense, all labor, fuel, and train supplies necessary for the operation of its own Equipment over the Joint Trackage. In the event a party hereto does furnish such labor, fuel, or train supplies to another party hereto, the party receiving same shall promptly, upon receipt of billing therefor, reimburse the party furnishing same for its reasonable costs thereof.

2.9 The operation by User on or along the Joint Trackage shall at all times be in accordance with the rules, instructions, and restrictions of Owner as they may be amended and supplemented from time to time, but such rules, instructions, and restrictions shall be reasonable, just, and fair between all parties using the Joint Trackage and shall not unjustly discriminate against any of them.

2.10 User shall be responsible for the reporting and payment of any mileage, per diem, use, or rental charges accruing on Equipment in User's account on the Joint Trackage. Except as may be specifically provided for in the Agreement, nothing herein contained is intended to change practices with respect to interchange of traffic between the parties or with other carriers on or along the Joint Trackage.

2.11 The total cost of clearing a derailment, cleaning up any Hazardous Materials released during such derailment, and/or repairing the Joint Trackage or any other property damaged thereby shall be borne by the party or parties liable therefor in accordance with Section 4 of this Exhibit "B".

2.12 In the event of release of Hazardous Materials caused by faulty equipment or third parties, cleanup will be conducted and total costs resulting therefrom shall be borne by the parties as stated in Section 4 of this Exhibit "B".

2.13 All employees of User engaged in or connected with the operations of User on or along the Joint Trackage shall be required to pass periodic examination on the rules of Owner related to the Joint Trackage, provided, with respect to such examinations that, upon request of User, owner shall qualify one or more of User's supervisory officers on said rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Joint Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by owner to assist in operating trains of User over the Joint Trackage.

2.14 If any employee of User shall neglect, refuse, or fail to abide by Owner's rules, instructions, and restrictions governing the operation on or along the Joint Trackage, such employee shall, upon written request of Owner, be prohibited by User from working on the Joint Trackage. If either party shall deem it necessary to hold a formal investigation to establish such neglect, refusal, or failure on the part of any employee of User, then upon such notice presented in writing, Owner and User shall promptly hold a joint investigation in which all parties concerned shall participate and bear the expense for its officers, counsel, witnesses, and employees. Notice of such investigations to employees of User shall be given by User's officers, and such investigation shall be conducted in accordance with the terms and conditions of schedule agreements between User and its employees. If, in the judgment of Owner, the result of such investigation warrants, such employee shall, upon written request of Owner, be withdrawn by User from service on the Joint Trackage, and User shall release and indemnify Owner from and against any and all claims and expenses because of such withdrawal.

If the disciplinary action is appealed by an employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not thereafter be barred from service on the Joint Trackage by reason of such occurrence.

It is understood that Owner shall reimburse User for all payments that User might be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

2.15 If any Equipment of User is bad ordered enroute on the Joint Trackage and it is necessary that it be set out, such bad ordered Equipment shall, after being promptly repaired, be promptly picked up by User. Unless otherwise agreed, Owner may, upon request of User and at User's expense, furnish the required labor and material and perform light repairs to make such bad ordered Equipment safe for movement. The employees and Equipment of Owner while in any manner so engaged or while en route to or returning to Owner's terminal from such an assignment shall be considered sole employees of User and sole property of User. However, should Owner after repairing such Equipment for User, move directly to perform service for Owner's benefit rather than return to Owner's terminal, then User's exclusive time and liability will end when owner's employees depart for work to be performed for Owner's benefit. In the case of such repairs by Owner to freight cars in User's account, billing therefor shall be in accordance with the Field and Office Manuals of the Interchange Rules adopted by the Association of American Railroads, hereinafter called "Interchange Rules", in effect at the date of performance of the repairs. Owner shall then prepare and submit billing directly to and collect from the car owner for car-owner responsibility items as determined under said Interchange Rules. Owner shall also submit billing to and collect from User any charges for repair to freight cars that are car-owner responsibility items, as determined under said Interchange Rules, should said car owner refuse or otherwise fail to make payment therefor.

2.16 If Equipment of User shall become derailed, wrecked, or otherwise disabled while upon the Joint Trackage, it shall be re-railed or cleared by Owner, except that employees of User may re-rail User's derailed Equipment on the Joint Trackage whenever use of motorized on or off track equipment is not required and prior permission has been granted by Owner. The costs and expenses of clearing derailments and wrecks shall be at User's expense unless otherwise provided for in allocation of liability in Section 5 of this Exhibit "B".

2.17 In the event Equipment of User shall be forced to stop on Joint Trackage, and such stoppage is due to insufficient hours of service remaining among User's employees, or due to mechanical failure of User's Equipment, or any other cause not resulting from an accident or derailment, and such Equipment is unable to proceed, or if a train of User fails to maintain the speed required by Owner on the Joint Trackage, or if in emergencies, crippled or otherwise defective Equipment is set out of User's trains on the Joint Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to re-crew User's train) as may be necessary to haul, help or push such Equipment, or to properly move the disabled Equipment off the Joint Trackage. The costs and expenses of furnishing motive power or of rendering such other assistance shall be at User's expense.

2.18 In the event any accident, derailment, or wreck, hereinafter called "derailment" involving Units on or in a train operated by User or for User by Owner carrying hazardous materials, substances, or wastes, as defined pursuant to federal or state law, hereinafter called "Hazardous Materials" shall occur on any segment of the Joint Trackage, any report required by federal, state or local authorities shall be the responsibility of User. User shall also advise the owner/shipper of the Hazardous Materials involved in the derailment, and Owner, immediately.

Unless otherwise agreed by the parties, Owner shall assume responsibility for cleaning up any release of such Hazardous Materials from User's cars in accordance with all federal, state, or local regulatory requirements. User may have representatives at the scene of the derailment to observe and provide information and recommendations concerning the characteristics of Hazardous Materials release and the cleanup effort. Such costs shall be borne in accordance with Section 4 of the General Conditions.

If Hazardous Materials must be transferred to undamaged cars, User shall perform the transfer, provided, however, that if the Hazardous Materials are in damaged cars that are blocking the Joint Trackage, Owner, at its option, may transfer the Hazardous Materials. Transfers of Hazardous Materials by User shall only be conducted after being authorized by Owner.

2.19 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Joint Trackage or any portion thereof shall be operated and dispatched without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic.

Section 3. BILLING DEFAULT

3.1 Billing shall be accomplished on the basis of data contained in a billing form mutually agreed to between the parties. Such billing form shall contain sufficient detail to permit computation of payments to be made hereunder. Billing shall be prepared according to the rules, additives, and equipment rental rates as published by the Owner. User shall pay to Owner at the Office of the Treasurer of Owner or at such other location as Owner may from time to time designate, all the compensation and charges of every name and nature which in and by the

Agreement User is required to pay in lawful money of the United States within sixty (60) days after the rendition of bills therefor. Bills shall contain a statement of the amount due on account of the expenses incurred and services rendered during the billing period.

3.2 Errors or disputed items in any bill shall not be deemed a valid excuse for delaying payment, and payments shall be made subject to subsequent adjustment; provided no exception to any bill shall be honored, recognized, or considered if filed after the expiration of three (3) years from the last day of the calendar month during which the bill is rendered and no bill shall be rendered later than three (3) years (i) after the last day of the calendar month in which the expense covered thereby is incurred, or (ii) if in connection with a project for which a roadway completion report is required, after the last day of the calendar month in which the roadway completion report is made covering such project, with retirements and additions being reflected as appropriate adjustments to valuation bases retroactive up to three (3) years from date of billing, or (iii) in the case of claims disputed as to amount or liability, after the amount is settled and/or the liability(ies) established. This provision shall not limit the retroactive adjustment of billing made pursuant to retroactive adjustment of wage rates and settlement of wage claims.

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

All books, accounts, and records shall be maintained to furnish readily full information for each item in Accordance with 49 U.S.C. Section 11161 et seq. and the related regulations of the STB in 49 C.F.R. Part 1201, 1-3, et seq.

3.4 Should any amount become payable by Owner to User under the Agreement, the provisions of Section 3.1 through 3.3 of this Exhibit "B" shall apply with User as the billing party and Owner as the paying party.

3.5 Should User fail to make any payment when due which User is obligated to make under the Agreement, or fail in any other respect to perform as required under the Agreement, and such default shall continue for a period of six (6) months after notice in writing of such default is given by Owner to User, owner may at its election exclude User from the use of the Joint Trackage. Thereupon User shall surrender to Owner all said Joint Trackage and shall have no claim or demand upon it, by suit at law or otherwise, on account of said exclusion, provided that failure to make any payment which is the subject of arbitration or litigation between the parties shall not be deemed, pending the decision in such arbitration or litigation, cause of forfeiture hereunder.

Owner may waive such default subsequent, but no action of Owner in waiving any default shall affect any default of User or impair any rights of Owner resulting therefrom.

Section 4. COMPLIANCE WITH LAWS

4.1 User shall not treat, store or dispose of petroleum products or hazardous waste or hazardous substances, as defined in (i) the Resource Conservation and Recovery Act, as amended, or (ii) the Comprehensive Environmental Response Compensation and Liability Act, as amended, or (iii) subsequent legislation regulating discharges into the environment, on the Joint Trackage.

4.2 Responsibility for Environmental Claims (as defined in Section 4.6, below) as between the parties shall be borne by the party or parties liable therefor pursuant to the allocation of liability in Section 5 of this Exhibit "B" as follows:

4.3 Each party shall release the other party to the extent it is responsible for an Environmental Claim, and, to the extent of such responsibility, shall defend, indemnify, protect and save harmless such other party from and against such Environmental Claim and costs associated therewith, including, but not limited to, environmental consultant fees, attorneys' fees and third party claims.

4.4 In the event of any incident, accident, derailment, or vehicle striking or being struck by Equipment (hereinafter "Derailment") involving Equipment operated by a party hereto carrying (i) hazardous materials, substances or wastes, as defined pursuant to Federal or State Law, or (ii) pollutants (hereinafter collectively referred to as "Hazardous Materials") shall occur on the Joint Trackage, any report required by Federal, State or local authorities shall be the responsibility of such party. Each party shall advise the other party immediately of the occurrence of a Derailment involving Equipment operated by the party carrying Hazardous Materials.

Unless otherwise agreed by the parties Owner shall undertake any Response Action (as defined in Section 4.5, below) in accordance with all Federal, State, or local regulatory requirements necessitated by a release of Hazardous Materials on Owner's right-of-way underlying the Joint Trackage from Equipment operated by either party hereto upon the occurrence of a Derailment. User shall have data or a representative available at the scene of any Derailment involving Equipment operated by it to provide information concerning the characteristics of Hazardous Materials released.

If following a Derailment upon the Joint Trackage Hazardous Materials must be transferred to undamaged cars or other vehicles, unless otherwise agreed by the parties, the party whose Equipment was involved in such Derailment shall perform the transfer; provided, however, that if the Hazardous Materials are in damaged cars of a train of User that are blocking the Joint Trackage, Owner shall transfer the Hazardous Materials; provided further that transfers of Hazardous Materials by User shall only be conducted after being authorized by Owner. The cost of such transfer of Hazardous Materials shall be borne by the party or parties liable therefor pursuant to the allocation of liability in Section 5 of this Exhibit "B".

4.5 In the event any cleanup, response, removal or remediation of any environmental condition on the Joint Trackage is necessary (collectively referred to herein as "Response Action"), neither party shall be entitled to any damages, actual or consequential, by reason of the Response Action's interference with the other party's use of the Joint Trackage. Owner and its contractors shall have full, unrestricted and unconditional access to the Joint Trackage for the purpose of completing or engaging in a Response Action for which Owner has any responsibility or, at Owner's option, a Response Action which Owner has undertaken should User fail to diligently pursue and complete such Response Action to the satisfaction of Owner; provided, however, that any Response Action (i) shall be undertaken and completed pursuant to a work plan (including a schedule) submitted to the other party for its review and, in the case of Owner, approval, and (ii) shall not unreasonably, in terms of duration or otherwise, restrict the other party's use of the Joint Trackage. Either party's completion of any of the other party's obligations hereunder shall not be deemed a waiver of such obligations under the Agreement. Owner shall have the right, but not the obligation, to conduct reasonable inspections of any Response Action of User and User shall provide Owner all information requested by Owner regarding any Response Action of User or any Environmental Claims for which User is responsible.

4.6 The term "Environmental Claim" means the direct costs of any cleanup, response, removal, remediation, natural resource damage, closure and/or post-closure required by any environmental conditions affecting the air, soil, surface waters, ground waters, streams, sediments and similar environmental conditions caused by, resulting from, arising out of, or occurring in connection with this Agreement.

4.7 The liability and indemnity provisions of this Section 4 shall continue in full force and effect regardless of whether this Agreement is terminated pursuant to any other provision, or the Joint Trackage is abandoned and vacated by User.

4.8 The total cost of clearing a Derailment, cleaning up any Hazardous Materials released during such Derailment, and/or repairing the Joint Tracks or any other property damaged thereby shall be borne by the party or parties liable therefor pursuant to the allocation of liability in Section 5 of this Exhibit "B".

Section 5. LIABILITY

5.1 The responsibility and liability between the parties for: (i) any personal injury or death of any person (including employees of the parties and third parties), (ii) any real or personal property damage of any person (including property of the parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Joint Trackage by the parties to this Agreement or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

- (a) If a Loss results from the use of the Joint Trackage solely by the equipment, trains and/or locomotives of one of the parties to this Agreement without the involvement of any equipment, trains or locomotives of the other party, then that party whose equipment, train, or locomotive is involved shall be solely responsible for the Loss, even if caused partially or completely by the other party.
- (b) If a Loss results from the use of the Joint Trackage by the equipment, trains and/or locomotives of both CN and BNSF involving equipment, trains and/or locomotives of both parties, then: (i) each of CN and BNSF is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including lading and (ii) BNSF and CN are equally responsible for any Loss to the Joint Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.
- (c) If a Loss results from the use of the Joint Trackage by equipment, trains and/or locomotives of both CN and any other third party user of the Joint trackage not a party to this Agreement involving equipment, trains and/or locomotives of both CN and such third party user, then CN's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered BNSF for the purpose of determining CN's share of that portion of the Loss which it must assume. BNSF shall be responsible for third parties who are considered BNSF for purposes of this Section, and BNSF shall indemnify, defend, and hold harmless CN from Losses allocated to a third party considered BNSF .
- (d) Whenever any liability, cost, or expense is assumed by or apportioned to any party to this Agreement hereto under the foregoing provisions, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees. Notwithstanding any provision to the contrary herein, no obligations of indemnity of either party shall apply with respect to punitive or exemplary damages to the extent arising from the conduct of the party to be otherwise indemnified hereunder.
- (e) In every case of death or injury suffered by an employee of any party to this Agreement, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be

released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

- (f) For purposes of determining liability, pilots furnished by BNSF to CN pursuant to this Agreement shall be considered as the employees of CN while such employees are on board or getting on or off trains of CN .
- (g) If any suit or action shall be brought against any party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other party, said other party shall be notified in writing by the party sued, and the party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.
- (h) In the event of a Loss as set out herein, the parties to this Agreement shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading, except to the extent expressly provided otherwise herein.
- (i) Notwithstanding the provisions of Section 1.5 of this Exhibit B , for the purposes of this Section 5 of this Exhibit B the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Joint Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Joint Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.
- (j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 2.1 of this Exhibit B , for all work performed by Owner, User shall be fully liable for all cost and expense of any and all Loss resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except to the extent such Loss is caused by the sole gross negligence or sole intentional misconduct of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible under this subsection (j).

5.2 Notwithstanding any provision to the contrary herein, no obligations of indemnity of either party shall apply with respect to punitive or exemplary damages to the extent arising from conduct of an indemnified party.

Section 6. ARBITRATION

6.1 If at any time a question or controversy shall arise between the parties hereto in connection with the Agreement upon which the parties cannot agree, then, upon the written request of either party setting forth the issue in dispute, such question or controversy shall be submitted to arbitration. If the parties involved in such dispute are able to agree upon a single arbitrator experienced in matters of the character in dispute within thirty (30) days after the party desiring such arbitration (the "Demanding Party") shall notify in writing the other party or parties to such dispute (the "Noticed Parties), such dispute shall be submitted to such single arbitrator. Otherwise, the Demanding Party shall appoint an arbitrator and notify the Noticed Parties in writing of such appointment. Within twenty (20) days after receipt of said notice, the Noticed Parties shall each appoint an arbitrator and notify the Demanding Party in writing of such appointment. Should any Noticed Party fail within twenty (20) days after receipt of such notice to name its arbitrator, the arbitrator for the Demanding Party and the arbitrators for the other Noticed Parties, if any, shall select one for the Noticed Party so failing and, if they cannot agree, said arbitrator may be appointed by the Chief Judge (or acting Chief Judge) of the United States District Court for the District in which the headquarters office of the Demanding Party is located upon application by any party after ten (10) days' written notice to all other parties. The arbitrators so chosen, if an even number, shall select one additional arbitrator, to complete the board. If they fail to agree upon an additional arbitrator, the same shall, upon application of any party, be appointed by said judge in the manner heretofore stated.

Upon selection of the arbitrator(s), said arbitrator(s) shall with reasonable diligence determine the questions as disclosed in said notice of demand for arbitration, shall give all parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as they deem reasonable or as either party may submit with witnesses required to be sworn, and may hear arguments of counsel or others. If any arbitrator declines or fails to act, the party (or parties in the case of a single arbitrator) by whom he was chosen or said judge shall appoint another to act in his place. After considering all evidence, testimony, and arguments, said single arbitrator or the majority of said board of arbitrators shall promptly state such decision or award in writing which shall be final, binding, and conclusive on all parties to the arbitration when delivered to them. Until the arbitrator(s) shall issue the first decision or award upon any question submitted for arbitration, performance under the Agreement shall continue in the manner and form existing prior to the rise of such question. After delivery of said first decision or award, each party shall forthwith comply with said first decision or award immediately after receiving it.

Each party to the arbitration shall pay the compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and

counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all parties to the arbitration.

6.2 The books and papers of all parties, as far as they relate to any matter submitted for arbitration, shall be open to the examination of the arbitrator(s).

Section 7. APPLICABLE LAW

This Agreement and any claims, disputes or controversies arising hereunder shall be governed by and construed in accordance with the laws of the state of Texas, without regard to its conflicts of laws provisions.

Section 8. GOVERNMENTAL APPROVAL, ABANDONMENT

8.1 User shall, at its own cost and expense, initiate by appropriate application or petition and thereafter diligently prosecute proceedings for the procurement of all necessary consent, approval, or authority from any governmental agency for the sanction of the Agreement and the operations to be carried on by User thereunder. Owner, at its expense, shall assist and support said application or petition and will furnish such information and execute, deliver, and file such instrument or instruments in writing as may be necessary or appropriate to obtain such governmental consent, approval, or authority. User and Owner agree to cooperate fully to procure all such necessary consent, approval, or authority.

8.2 In the event Owner shall be involuntarily dispossessed, including threat of condemnation by competent public authority, of the right to operate upon and maintain any portion of the Joint Trackage, Owner shall have no obligation hereunder to provide tracks for User's use, and User shall have and shall make no claim of any kind, legal or otherwise, against Owner for failure to provide such tracks for User's use.

8.3 Under the terms hereinafter stated, and to the extent that Owner may lawfully do so, owner reserves to itself the exclusive right, exercisable at any time during the life of the Agreement without concurrence of User, to elect to abandon all or any part of the Joint Trackage by giving six (6) months prior written notice to User of its intention so to do.

8.4 Each party shall be responsible for any labor claims of, and shall bear the cost of employee protection payable to, its own employees, and the employees of companies affiliated with it, to the extent resulting from the entry into or operation of the Agreement.

Section 9. OTHER CONSIDERATIONS

9.1 Nothing in the Agreement contained shall limit the right of Owner to admit other companies to the use of the Joint Trackage or any part thereof on such terms and conditions as are satisfactory to Owner. Such other companies presently or hereafter admitted to the use of the Joint Trackage or any part thereof by Owner shall be considered Owner for the purpose of the Agreement. User shall have no right to admit any person, firm, or corporation to the use of the Joint Trackage.

9.2 The Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successor lessees, and assigns, but no sale, assignment, mortgage, or lease by User of any interest or right given it under the Agreement, separate and apart from a corporate merger, sale, assignment, mortgage or lease of User's railroad in its entirety, shall be valid or binding without the prior written consent of Owner, which consent will not unreasonably be withheld.

9.3 The 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 in any third person to recover by way of damages or otherwise against any of the parties hereto.

9.4 All notices, demands, requested, or submissions which are required or permitted to be given pursuant to the Agreement shall be given by either party to the other in writing by serving the same upon the Vice President of Operations of each company.

9.5 If any covenant or provision of the Agreement not material to the right of User to use the Joint Trackage shall be adjudged void, such adjudication shall not affect the validity, obligation, or performance of any other covenant or provision which is in itself valid. No controversy concerning any covenant or provision shall delay the performance of any other covenant or provision. Should any covenant or provision of the Agreement be adjudged void, the parties will make such other arrangements as, under the advice of counsel, will effect the purposes and intent of the Agreement.

9.6 In the event there shall be any conflict between the provisions of this Exhibit "B" and the Agreement, the provisions of the Agreement shall prevail.

9.7 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of the Agreement.

9.8 No term of provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.

9.9 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.

9.10 This Agreement is the result of mutual negotiation of the parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

9.11 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a party hereto to enforce its rights under this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CN or BNSF to any party other than CN's and BNSF's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other party.

End of Exhibit "B".

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35753

ILLINOIS CENTRAL RAILROAD COMPANY
-- TRACKAGE RIGHTS EXEMPTION --
BNSF RAILWAY COMPANY

BNSF Railway Company ("BNSF") has agreed to grant overhead trackage rights to Illinois Central Railroad Company ("IC") over BNSF's line of railroad between the connection with IC at approximately Milepost 483.8 at CN Junction and BNSF's KC Junction at approximately Milepost 485.8 in Memphis, Shelby County, Tennessee, a distance of approximately 2.0 miles. The trackage rights will be effected on or after August 30, 2013.

This Notice is filed under 49 C.F.R. § 1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Dated: _____, 2013

By the Board

VERIFICATION

State of Illinois)
)
County of Cook)

SS:

Paul E. Ladue, being duly sworn, deposes and says that he is the Region Director Contracts and Administration for Illinois Central Railroad Company, that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.

Paul E. Ladue

SUBSCRIBED AND SWORN TO
before me this 19 day
of July, 2013.

Patricia A. Zieminski
Notary Public
My Commission expires:

