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August 29, 2011

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

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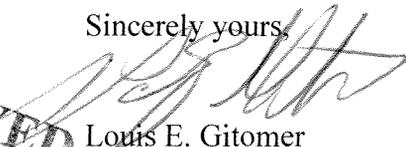
Re: Finance Docket No. 35546, *CSX Transportation, Inc. – Trackage Rights Exemption – Norfolk Southern Railway Company, Pennsylvania Northeastern Railroad, LLC, and Southeastern Pennsylvania Transportation Authority*

Dear Ms. Brown:

Enclosed are the original and 10 copies of the Notice of Exemption, a diskette containing a WORD and pdf version of the Notice, and a check in the amount of \$1,200 is to cover the filing fee.

Please time and date stamp the extra copy of the filing and return it in the enclosed pre-paid envelope. Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,


Louis E. Gitomer
Attorney for CSX Transportation, Inc.

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Enclosures

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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35546

CSX TRANSPORTATION, INC.
—TRACKAGE RIGHTS EXEMPTION—
NORFOLK SOUTHERN RAILWAY COMPANY,
PENNSYLVANIA NORTHEASTERN RAILROAD, LLC, AND
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

VERIFIED NOTICE OF EXEMPTION

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Counsel for CSX Transportation, Inc.

Dated: August 29, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35546

CSX TRANSPORTATION, INC.
—TRACKAGE RIGHTS EXEMPTION—
NORFOLK SOUTHERN RAILWAY COMPANY,
PENNSYLVANIA NORTHEASTERN RAILROAD, LLC, AND
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

VERIFIED NOTICE OF EXEMPTION

CSX Transportation, Inc. (“CSXT”) files this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. §1180.2(d)(7) for overhead and local trackage rights from three separate sources. CSXT is obtaining by assignment from Norfolk Southern Railway Company (“NSR”) local and overhead trackage rights over the Stony Creek Branch between milepost QAC 5.0 at Belfrey and milepost QAC 9.9 at Elm, a distance of 4.9 miles in Pennsylvania. CSXT has retained overhead trackage rights as a result of the transfer of certain rights to the Pennsylvania Northeastern Railroad, LLC (“PN”)¹ for the purpose of interchanging with PN on the following lines: (1) a portion of Bethlehem Branch between milepost QAJ 7.0 at Tabor and milepost QAJ 24.4 at Lansdale (including Lansdale Yard between milepost QAJ 24.4 and milepost QAJ 24.8); (2) a portion of the Ninth Street Branch between milepost QAJ 6.7 at Newtown Jct. and milepost QAJ 7.0 at Tabor (formerly known as part of Bethlehem Branch); (3) the New York Line between milepost QAA 10.8 at Jenkin (also known as Jenkintown) and milepost QAA 21.1 at

¹ *Pennsylvania Northeastern Railroad, LLC-Acquisition and Operation-CSX Transportation, Inc.*, STB Docket No. FD 35535 (STB served July 22, 2011).

Neshaminy (also known as Neshaminy Falls); and (4) the Stony Creek Branch between milepost QAC 0.0 at Lansdale and milepost QAC 3.0 near West Point, a total distance of 31.0 miles (31.4 miles including Lansdale Yard), all in Pennsylvania. As a result of the Supplemental Agreement in Exhibit B, CSXT's trackage rights over the Southeastern Pennsylvania Transportation Authority ("SEPTA") have been restated, clarified, and amended as to the following lines: (1) overhead and local trackage rights on the Stony Creek Branch between milepost QAC 3.0 near West Point and milepost QAC 5.0 at Belfrey; (2) overhead trackage rights on the Blue Line Branch (Blue Line Connecting Track) between milepost 0.0 at Nice and milepost 0.7 at Wayne; (3) overhead trackage rights on a portion of the Ninth Street Branch between milepost QA 5.1 at Wayne, and milepost QAJ 6.7 at Newtown Jct.; and (4) overhead trackage rights on a portion of the Norristown Branch between milepost 17.3 at Kalb, and milepost 17.98 at Elm, a total distance of 4.98 miles all in Pennsylvania. The total mileage is 41.28 miles including Lansdale Yard. The parties have entered a written agreement, which is not sought as a responsive application in a rail consolidation proceeding.

The real estate and track involved in these transactions is all owned by SEPTA. In 1979 Consolidated Rail Corporation ("Conrail") conveyed to SEPTA, all rights, title and interests in and to certain railroad properties owned by Conrail ("Rail Properties") in five counties in the Philadelphia region. Conrail reserved a permanent freight easement for itself over the Rail Properties ("Freight Service Easement") and retained trackage rights. SEPTA and Conrail delineated the rights to access and use various Rail Properties, as well as the obligations to maintain facilities of and to manage and control rail operations in an agreement dated October 1, 1990 ("Trackage Rights Agreement").²

² The Trackage Rights Agreement has been modified and amended on various occasions.

In *CSX Corp. et al.-Control-Conrail Inc. et al.*, 3 S.T.B. 196 (1998), through a series of agreements involving CSX Corporation (“CSX”), Norfolk Southern Corporation (“NSC”), CSXT, NSR, Conrail, and SEPTA, certain of the Rail Properties were conveyed to CSXT and NSR with SEPTA having the right to continue to conduct passenger operations over certain portions of the Rail Properties and the right to operate over certain of SEPTA’s properties were conveyed to CSXT and NSR. When CSXT agreed to transfer certain of its rights to operate over the Rail Properties to PN, the parties agreed to restate, clarify, and amend their rights and obligations in the Supplemental Agreement dated as of August 9, 2011, attached hereto in Exhibit B.

Pursuant to the Surface Transportation Board’s (the “Board”) regulations at 49 C.F.R. § 1180.4(g), CSXT submits the following information:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

CSXT has retained certain trackage rights over PN. NSR has assigned its rights to operate over the Stony Creek Branch to CSXT. Through the Supplemental Agreement, SEPTA has restated, clarified, and amended CSXT’s rights to operate over SEPTA’s line.

CSXT is obtaining by assignment from NSR local and overhead trackage rights over the Stony Creek Branch between milepost QAC 5.0 at Belfrey and milepost QAC 9.9 at Elm, a distance of 4.9 miles in Pennsylvania. CSXT has retained overhead trackage rights as a result of the transfer of certain rights to the PN for the purpose of interchanging with PN on the following lines: (1) a portion of Bethlehem Branch between milepost QAJ 7.0 at Tabor and milepost QAJ 24.4 at Lansdale (including Lansdale Yard between milepost QAJ 24.4 and milepost QAJ 24.8); (2) a portion of the Ninth Street Branch between milepost QAJ 6.7 at Newtown Jct. and milepost

QAJ 7.0 at Tabor (formerly known as part of Bethlehem Branch); (3) the New York Line between milepost QAA 10.8 at Jenkin (also known as Jenkintown) and milepost QAA 21.1 at Neshaminy (also known as Neshaminy Falls); and (4) the Stony Creek Branch between milepost QAC 0.0 at Lansdale and milepost QAC 3.0 near West Point, a total distance of 31.0 miles (31.4 miles including Lansdale Yard), all in Pennsylvania. CSXT's trackage rights over SEPTA have been restated, clarified, and amended as to the following lines: (1) overhead and local trackage rights on the Stony Creek Branch between milepost QAC 3.0 near West Point and milepost QAC 5.0 at Belfrey; (2) overhead trackage rights on the Blue Line Branch (Blue Line Connecting Track) between milepost 0.0 at Nice and milepost 0.7 at Wayne; (3) overhead trackage rights on a portion of the Ninth Street Branch between milepost QA 5.1 at Wayne, and milepost QAJ 6.7 at Newtown Jct.; and (4) overhead trackage rights on a portion of the Norristown Branch between milepost 17.3 at Kalb, and milepost 17.98 at Elm, a total distance of 4.98 miles all in Pennsylvania. The total mileage is 41.28 miles including Lansdale Yard.

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

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

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

Southeastern Pennsylvania Transportation Authority
1234 Market Street
Philadelphia, PA 19107

Pennsylvania Northeastern Railroad, LLC
301B West Main Street
Lansdale, PA 19446

Questions and correspondence concerning this notice may be addressed to:

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

(a)(1)(ii) Consummation Date.

The transaction is scheduled to be consummated on September 28, 2011.

(a)(1)(iii) Purpose Sought to be Accomplished.

CSXT is acquiring the Stony Creek Branch from NS in order to interchange with PN and provide overhead and local service over the line as needed. CSXT has retained the overhead trackage rights over PN in order to interchange traffic with PN at the most efficient locations. CSXT's trackage rights over SEPTA continue the local and overhead service provided by Conrail since the real estate and track were transferred from Conrail to SEPTA, while Conrail retained an operating easement and trackage rights.

(a)(5) List of States in which the Party's Property is Situated.

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

The local and overhead trackage rights are located in Pennsylvania.

(a)(6) Map.

A map illustrating the involved trackage rights is attached as Exhibit A, which is in color and at the end of this pleading.

(a)(7)(ii) Agreement.

A copy of the Supplemental Agreement is attached as Exhibit B.

Interchange Commitment.

The proposed trackage rights do not involve a provision or agreement that may limit future interchange with a third party connecting carrier.

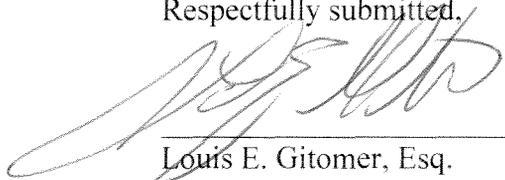
Labor Protection.

Any employees adversely affected by the acquisition of the overhead and local trackage rights that are the subject of this Notice are entitled to protection under the conditions imposed in *Norfolk and Western Railway Ry. Co.—Trackage Rights—BN*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry., Inc. —Lease and Operate*, 360 I.C.C. 653 (1980).

Environmental and Historic Matters.

Environmental and historic impacts associated with trackage rights transactions generally are considered to be insignificant. Therefore, environmental and historical reports and documentation normally need not be submitted for this type of transaction, pursuant to 49 C.F.R. § 1105.6(c)(4) and § 1105.8(b)(3).

Respectfully submitted,



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Counsel for CSX Transportation, Inc.

Dated: August 29, 2011

EXHIBIT A - MAP

See end of pleading

EXHIBIT B - AGREEMENT

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT ("Supplemental Agreement"), is made and entered into as of this 9th day of August, 2011 (the "Execution Date") among CSX CORPORATION ("CSX"), CSX TRANSPORTATION, INC. ("CSXT"), NORFOLK SOUTHERN CORPORATION ("NS"), NORFOLK SOUTHERN RAILWAY COMPANY ("NSR"), PENNSYLVANIA NORTHEASTERN RAILROAD LLC ("PNRR"), SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY ("SEPTA"), and CONSOLIDATED RAIL CORPORATION ("Conrail"), (hereinafter all five entities shall constitute and be referred to collectively as the "Parties", and singularly as a "Party").

WITNESSETH:

WHEREAS, in 1979, Conrail conveyed by deed to SEPTA all rights, title and interests in and to certain railroad properties owned by Conrail (herein "Rail Properties") in the five counties of the Philadelphia region, and Conrail reserved and excepted for itself by permanent easement (the "Freight Service Easement") and reserved trackage rights the right to operate freight service upon portions of the real property conveyed and to use such facilities needed to operate said service;

WHEREAS, pursuant to the Northeast Rail Service Act of 1981 ("NRSA"), and in accordance with the Rail Passenger Service Act ("RPSA"), effective January 1, 1983, Conrail was to be relieved of all legal obligations to operate commuter rail service in the Philadelphia region;

WHEREAS, as required by the NRSA, Conrail and SEPTA, as the regional "Commuter Authority", entered into a transfer agreement (the "Transfer Agreement", dated September 1, 1982) that, in order to effectuate the transfer of commuter rail obligations, identified: the commuter rail service responsibilities and those portions of the Rail Properties that were to be used chiefly for commuter service by SEPTA; those portions of the Rail Properties to be used chiefly in providing freight service by Conrail; and the appropriate trackage rights for operating freight services over certain Rail Properties that were transferred to SEPTA;

WHEREAS, the rights to access and use the various Rail Properties, and the obligations to maintain the facilities of and to manage and control rail operations on those Rail Properties, were clarified and delineated by and between SEPTA and Conrail in an agreement dated October 1, 1990 (the "Trackage Rights Agreement", which has been modified and amended on various occasions - see Attachment 1 to this Supplemental Agreement) in order to provide for the organized, coordinated, and cooperative operation

of both commuter and freight services, by SEPTA and Conrail respectively, over the various Rail Properties without diminution or limitation of the Freight Service Easement (herein reference to the "Trackage Rights Agreement" shall mean the Trackage Rights Agreement as it has been modified and amended, unless specifically qualified as being otherwise.);

WHEREAS, included in and as part of the Trackage Rights Agreement, "Exhibit 1 - SEPTA Rail Properties" and "Exhibit 2 - Conrail Rail Properties" presented the delineation and allocation between Conrail and SEPTA of usage rights and obligations on the various portions of the Rail Properties by the segments thereof and for the associated facilities thereon; and the information from Exhibits 1 and 2 has been revised, updated and presented in a new exhibit that is included in and made a part of this Supplemental Agreement as Attachment 2;

WHEREAS, a series of transactions involving Conrail, CSX, and NS (which were memorialized in a Transaction Agreement among the parties, dated June 10, 1997, and which received federal regulatory approval under *CSX Corp. et al.-Control-Conrail, Inc. et al.*, 3 S.T.B. 196 (1998)) resulted in, *inter alia*: 1) the formation of two wholly-owned limited liability companies (New York Central Lines, "NYC" and Pennsylvania Railroad, "PRR") under Conrail; 2) the conveyance of certain portions of the Rail Properties to the limited liability companies, including (i) portions of the Rail Properties over which SEPTA operates commuter rail service, and (ii) Conrail's freight operating rights on portions of the Rail Properties; and 3) CSX's and NS's acquisition of control, in common, of Conrail (with the entity now owned jointly by CSX and NS continuing to be known as and being referred to herein as "Conrail");

WHEREAS, CSXT is the freight operating subsidiary of CSX, and NSR is the freight operating subsidiary of NS.

WHEREAS, under the Transaction Agreement, it was contemplated that: 1) Conrail, CSXT and NSR would operate some freight services as sole operators over some portions of the Rail Properties and some freight service jointly with SEPTA passenger service over other portions of the Rail Properties; 2) CSX and NS would enter into leases and/or operating agreements with their respective railroad operating affiliates, CSXT and NSR, to conduct the aforementioned freight operations; and 3) SEPTA would continue to have the right to conduct passenger operations over certain portions of the Rail Properties as the sole operator and over other portions as a joint operator with freight operations;

WHEREAS, in order to carry-out the intentions of the Transaction Agreement once the applicable conditions were satisfied and final regulatory approval was received, CSX, NS, Conrail and SEPTA entered into an agreement dated June 1, 1998 (which will herein be referred to as the "Freight/Passenger Operator Agreement") that: 1) required that NYC and PRR enter into operating agreements to allow CSXT and NSR (referred to herein collectively as "Freight Operators", or "Freight Operator" in the generic singular) to

conduct freight operations, respectively; and 2) governed and specified the terms and conditions applicable to freight operations conducted by the Freight Operators and Conrail, and to passenger operations conducted by SEPTA over portions of the Rail Properties shared with freight operations;

WHEREAS, in a Supplement to Trackage Rights Agreement (dated March 25, 2003, referred to herein as the "Trenton Line Separation Agreement"), the parties identified the details of the plan to physically separate freight and passenger operations on the portion of the Trenton Line between Newtown Junction (MP 6.2+/-) and Cheltenham (MP 9.6+/-), which plans included, *inter alia*, the objective that the use by, control of, and maintenance of Track #1 would be performed solely by SEPTA (as part of its Fox Chase commuter rail line) and for Track #2, solely by CSXT;

WHEREAS, also within the Trenton Line Separation Agreement, CSXT and NSR were by implication identified as CSX's and NS's respective railroad operating affiliates; therefore for the purpose of the application of all of the relevant agreements and for this Agreement, CSXT and NSR shall be deemed to be the current Freight Operator;

WHEREAS, NYC was merged into CSXT and PRR was merged into NSR pursuant to *CSX Corp. et al.-Control-Conrail Inc. et al.-Supp. Order*, 7 S.T.B. 205 (2003) and CSXT and NSR became owners of the assets owned by NYC and PRR, respectively, including the Rail Properties;

WHEREAS, CSXT now desires to convey by sale to the Pennsylvania Northeastern Railroad LLC ("PNRR") a portion of CSXT's Freight Service Easement, and its rights and obligations related thereto, to operate freight services on certain portions of the Rail Properties and to modify applicable terms and provisions of the Freight/Passenger Operator Agreement and the Trackage Rights Agreement in order to: 1) have PNRR be made a party to those agreements; and 2) identify the changes to be made in the geographic delineation of track usage among the Parties on the Rail Properties; and

WHEREAS, NS, NSR, Conrail and SEPTA are agreeable to the implementation of CSXT's plans to convey freight operating rights and obligations to PNRR, and to modifying the terms and provisions of the Freight/Passenger Operator Agreement and the Trackage Rights Agreement to provide for such conveyance and for the changes in track usages and responsibilities, subject to the terms and conditions contained herein; and

WHEREAS, CSXT will enter into an agreement with PNRR within which CSXT will identify the geographic locations and the operating terms and conditions for the freight services that will be operated by PNRR;

WHEREAS, CSX, CSXT, NS, NSR, PNRR, SEPTA and Conrail are agreeable to the proposed modifications, as set forth herein, and as such, the Trackage Rights Agreement and the Freight/Passenger Operator Agreement are accordingly hereby modified by this

Supplemental Agreement (herein for simplicity both agreements and all agreements, including this one, that effectively modify those documents will be referred to as the "Trackage Agreements") and shall now include PNRB both as a contracting Party with and in addition to the other four Parties, and as a Freight Operator under the Trackage Agreements.

NOW, THEREFORE, The Parties hereto, intending to be legally bound, do hereby agree as follows:

1. The Parties.

A. The above Recitals outline the contractual history of SEPTA, Conrail, CSX, CSXT, NS, and NSR with respect to the key aspects of the interrelationships, property use rights, and ongoing obligations and commitments regarding passenger and freight railroad operations over the Rail Properties in the Philadelphia region.

B. The Parties each hereby acknowledge and consent to the express amendment to and modification of the Freight/Passenger Operator Agreement and to the effective amendment of the Trackage Rights Agreement, both by logical implication and by express declaration, by this Supplemental Agreement.

C. PNRB is hereby made a Party to the Trackage Rights Agreement and to all amendments and modifications thereto, including the Freight/Passenger Operator Agreement with respect to the Rail Properties that it operates over. Accordingly, the Parties to the Trackage Agreements are, at this time, deemed to be Conrail, SEPTA, CSXT, NSR, and PNRB.

2. Assignment of Freight Operating Rights.

With the concurrence of Conrail, SEPTA, NS, and NSR, to the extent required, CSXT hereby assigns to PNRB portions of CSXT's rights, only to the extent of CSXT's rights and subject to all terms and conditions contained in the Trackage Agreements and this Supplemental Agreement, to use certain Rail Properties as identified herein for the purpose of providing freight rail service to and from existing and future freight rail customers located thereon.

3. Freight Operators.

A. Under the Trackage Agreements, and pursuant to the operating agreements involving CSXT as successor by merger to NYC, NSR as successor by merger to PRR, freight operations are performed by CSXT, NSR, PNRB and Conrail. Under and for the purposes of this Supplemental Agreement, and as it effectively amends

the Trackage Agreements, the individual, respective Freight Operators currently are CSXT, NSR, PNRR, and Conrail.

4. Approval and Acceptance of Assignment.

A. To the extent required under section (g)(3) of the Freight Service Easement, SEPTA hereby consents to CSXT's plan to transfer to PNRR a portion of CSXT's rights under the Freight Service Easement. With the concurrence of the parties as indicated by their execution of this Supplemental Agreement, PNRR is hereby granted the right to use certain Rail Properties and to operate certain freight services, as specifically identified in Sections 5(e) and 6 below, that are subject to the Freight Service Easement and the Trackage Agreements, as amended.

B. PNRR, acting both as a Party to and a Freight Operator under the Trackage Agreements, hereby acknowledges and agrees that its use of the Rail Properties and its exercise of the freight operating rights granted hereby is subject to, and must be conducted in accordance with, the terms, provisions, and conditions set forth in the Freight Service Easement and the Trackage Agreements, as amended.

C. Additionally, PNRR, acting both as a Party to and a Freight Operator under the Trackage Agreements, accepts and agrees to carry-out all obligations associated with and necessary for the intended use of the Rail Properties and for the its exercise of the freight operating rights granted hereby, and to do so in accordance with the terms, provisions and conditions set forth in the Freight Service Easement and the Trackage Agreements, as amended.

5. Trackage Rights Agreement.

A. Term.

The term of the Trackage Rights Agreement (as described in Section 8.01 of the original document) is hereby modified to have a termination date of no earlier than December 31, 2015. After December 15, 2015 the Trackage Rights Agreement shall continue in effect, but any Party may terminate any or all of its operations over the Rail Properties that are subject to the Trackage Rights Agreement by providing written notification to all other Parties of its desire to terminate some or all of its operations under the Trackage Rights Agreement as of a specified termination date which shall be no sooner than six months from the date of such notification or the date upon which the Party seeking to terminate its operation under the Trackage Rights Agreement receives effective appropriate regulatory approval and authorization. The Trackage Rights Agreement shall continue in effect as to the other Parties. The Parties acknowledge that termination of the Trackage Rights Agreement does not terminate the Freight Service Easement.

B. Exhibits 1 and 2 of the Trackage Rights Agreement.

The information presented in Exhibit 1 and Exhibit 2 of the Trackage Rights Agreement (which exhibits were also updated and made a part of the Freight/Passenger Operator Agreement) has been updated and revised to reflect the changes proposed by and within this Supplemental Agreement; and such revised information is presented in the "Rail Properties Exhibits" (the "Exhibits") that are included as Attachment 2, which are hereby made a part of the Trackage Agreements and supersede all previous versions of Exhibits 1 and 2 and the information presented therein. Exhibit 1 (SEPTA Rail Properties) and Exhibit 2 (Conrail Rail Properties) of the Trackage Rights Agreement and the Freight/Passenger Operator Agreement presented the then-current track usage information for the respective properties as falling into either Category A (line or branch segments that are used solely by one or more Freight Operators) or Category B (line or branch segments that are jointly used). The Exhibits included herein present the current branch and/or line segment information sorted by property ownership and usage; and also present maintenance information. The information contained in the Exhibits is intended to portray and memorialize in written form the operating arrangements planned and agreed to by the Parties, as of the Execution Date, for the coordination, integration and applicable delineations of freight and passenger rail services over, and maintenance responsibilities for, the Rail Properties. The Exhibits presented in Attachment 2 now include:

- (a) Exhibit 1 – SEPTA Rail Properties, which indicates usage and maintenance responsibility by category, with Category A identifying those track segments used solely by a Freight Operator or Freight Operators; and Category B identifying those tracks segments used jointly by SEPTA and one or more Freight Operators.
- (b) Exhibit 2 – CSXT Rail Properties, which indicates usage and maintenance responsibilities by category, with Category A identifying those track segments used solely by SEPTA; Category B identifying the track segments used jointly by CSXT and SEPTA; and a new Category C identifying the track segment that is used jointly by SEPTA and CSXT, with freight restrictions, and for which maintenance is the responsibility of SEPTA.

C. Other Exhibits in the Trackage Rights Agreement.

While changes have occurred in certain operational details (such as, but not limited to, clearances, train speeds, timetables, signal systems, and operating stations) from what was originally presented in the exhibits other than Exhibits 1 and 2 of the Trackage Rights Agreement, updated documents reflecting changes through the years have not been prepared for those other exhibits. The Parties agree that the current state of such operational details will continue to be observed and adhered to by the Parties and

the Freight Operators in conducting passenger and freight rail services operations upon the Rail Properties and under this Supplemental Agreement.

6. Freight/Passenger Operator Agreement.

For the purpose of identifying the specific operational changes being addressed and established by this Supplemental Agreement, Article 2, OPERATIONAL ISSUES, of the Freight/Passenger Operator Agreement, is hereby re-written and replaced by the following; and for ease of reading this section the names of the Freight Operators (as abbreviated; i.e. "CSXT", NSR and "PNRR") may specifically be used:

OPERATIONAL ISSUES

Notwithstanding any provisions of the existing Trackage Rights Agreement between Conrail and SEPTA:

- (a) Under CSXT's operating plan that is proposed to be put into effect at the time of the Execution Date, CSXT will transport to and from, for interchange at, Lansdale (herein for the purpose of referring to the interchange area at Lansdale, the term "Lansdale Interchange" will be used and will mean the Lansdale Yard and the tracks leading into and out of the Lansdale Yard), all rail freight that is ultimately destined to or coming from customers that are located within the Lansdale Cluster servicing area (the term "Lansdale Cluster will be used to refer collectively to the points of delivery/origination for the various freight customers whose rail freight is interchanged at the Lansdale Interchange).
 - (1) Rail freight ultimately going to or coming from the Lansdale Cluster will be interchanged between CSXT and PNRR at the Lansdale Interchange. CSXT reserves its rights under the Freight Service Easement, and in accordance with its trackage rights presented in the Trackage Agreements and this Supplemental Agreement, to operate to and from the Lansdale Interchange. While SEPTA owns the Lansdale Yard, CSXT and PNRR are hereby granted rights to use the Lansdale Yard for the interchanging of rail freight between them and of freight being interchanged to and from the East Penn Railroad LLC ("ESPN") and the New Hope and Ivyland Railroad ("NHRR").
 - (2) PNRR will make deliveries and pick-ups to and from rail freight customers along rail lines that are part of the Lansdale Cluster servicing area, including (1) Bethlehem Branch between MP QAJ 6.7 at Newtown Junction and MP QAJ 30.5 at Telford, (2) Doylestown Branch between MP QAH 0.0 at Lansdale and MP QAH 10.13 at Doylestown, (3) New Hope Branch between MP

QAU 0.0 at Glenside and MP QAU 8.4 at Ivyland, (4) New York Line between MP QAA 10.8 at Jenkintown and MP QAA 21.1 at Neshaminy, and (5) Stony Creek Branch between QAC 0.0 at Lansdale and MP QAC 3.0 near West Point. For other rail freight customers, PNRR will transport rail freight between the Lansdale Interchange and other points of interchange with other rail carriers, if so desired, such as is currently planned for the ESPN at Telford, MP QAJ 30.5 and the NHRR at Ivyland, MP QAU 9.0.

- (3) The frequency of freight rail interchange at the Lansdale Interchange and at agreed upon interchange locations with ESPN and NHRR shall be at the discretion of CSXT, PNRR, NHRR, and ESPN, collectively, as required to satisfy service demand.
- (b) CSXT and PNRR hereby agree and acknowledge that their operation of freight rail service over the following track segments, which are shared with SEPTA passenger rail service, shall occur between the hours of 12:01 am and 4:15 am; except that if a freight rail movement needs to occur outside of that specified time period, such movement must receive prior approval from or be requested by SEPTA:
- (1) West Trenton Line - MP 10.8 Jenkin Interlocking to MP 26.9 Wood Interlocking
 - (2) Doylestown Branch - MP 0.3 Land Interlocking to MP 9.9 CP Doyle
 - (3) Warminster Branch - MP 0.0 Carmel Interlocking to MP 8.2 Street Interlocking
 - (4) SEPTA's Main Line – MP 5.1 Wayne Interlocking to MP 24.2 Dale Interlocking
- (c) Non-Dimensional Freight Traffic.
- (1) For freight rail traffic of regular height and width (“Non-dimensional” cars, meaning cars that do not exceed the American Railroad Engineering Maintenance Association “Plate C” standards) moving between CSXT's Greenwich Yard in Philadelphia and the Lansdale Interchange, CSXT is permitted to operate on SEPTA's Main Line, between M.P. 5.1 (Wayne) and M.P. 24.4 (Lansdale).
 - (2) The Ninth Street Branch was conveyed by Conrail to SEPTA by deed dated March 30, 1979. Under the Freight Service Easement contained in the 1979 deed, Conrail retained and reserved by

easement the right to use certain Ninth Street Branch facilities for the provision of freight services. The portion of the Ninth Street Branch between MP 3.0 (the southern home signal of 16th Street Junction) and MP 6.7, was not reserved for freight service. SEPTA hereby grants to CSXT and PNRB the right to use for Non-dimensional freight service, jointly with SEPTA's passenger service, and in accordance with the terms and conditions set forth in the Trackage Agreements and this Supplemental Agreement, that portion of the Ninth Street Branch between MP 5.1 and MP 6.7. Further, SEPTA hereby grants to Conrail the right to use for freight service, jointly with SEPTA's passenger service and in accordance with the terms and conditions set forth in the Trackage Agreements and this Supplemental Agreement, that portion of the Ninth Street Branch between MP 3.0 and MP 6.7.

- (3) SEPTA hereby grants to CSXT the right to use for Non-dimensional freight service, in accordance with the terms and conditions set forth in the Trackage Agreements and this Supplemental Agreement, that track segment identified as Line Code 0303 and referred to as the Blue Line Branch, running from MP 0.0 (Nice) to MP 0.7 (Wayne).
- (4) To provide a contingency route in the event the portion of SEPTA's Main Line between MP 5.1 (Wayne) and MP 10.8 (Jenkin) is not available for freight rail traffic, SEPTA hereby grants CSXT the right to operate only Non-dimensional traffic over SEPTA's West Trenton Branch between MP 26.9 (CP Wood) and MP 10.8 (Jenkin), in order to return to the Main Line and continue on to the Lansdale Interchange. However it is understood and acknowledged by CSXT, that the West Trenton Branch is only to be used by CSXT as a back-up route for SEPTA's Main Line and as a primary route for access to the Bucks County Industrial Park, and it shall not be used for through-freight or as a means of bypassing CSXT's Trenton Subdivision.
- (5) SEPTA hereby grants to NSR and CSXT the right to use the portions of the SEPTA Norristown Branch between MP 17.3 (Kalb) and MP 17.6 (Bridge), and between Bridge and MP 17.98 (Elm), so that: (i) NSR is provided with sufficient trackage distance to turn locomotives using the Wye Connection (that portion of the Norristown Branch from MP 17.7 [Island] and MP 17.6 [Bridge]); and (ii) CSXT can access the Stony Creek Branch when operating between Kalb and Ford.

(d) Dimensional Freight Traffic.

- (1) For freight rail traffic carrying cars that are too high or too wide or both (“Dimensional” cars, meaning cars that exceed the height and/or width standards for “Plate C” cars as designated by the American Railroad Engineering Maintenance Association), CSXT shall operate from its Woodbourne Yard to MP 26.9 (CP Wood); to the NSR Morrisville Line; to MP 16.8 (Ford); to SEPTA’s Norristown Branch between MP 16.8 (Ford) and MP 17.3 (Kalb); and between MP 17.3 (Kalb), MP 17.6 (Bridge), and MP 17.98 (Elm); to access SEPTA’s Stony Creek Branch for use between MP 9.9 (Elm) and MP 0.0 (Dale), in order to access the Lansdale Interchange. Arrangements between CSXT and NSR to use any NSR property rights and/or trackage rights are addressed under separate agreements between NSR and CSXT.
- (2) As an alternate route for Dimensional freight traffic to and from the Lansdale Interchange, CSXT can operate on the NSR Harrisburg Line from MP QH5.2 (River) to Abrams Yard; to the Norristown-Main Line Connecting Track (under NSR’s trackage rights) at MP 18.0 (Norris); to MP 17.7 (Island); to MP 17.6 (Bridge); accessing the SEPTA Norristown Branch; to MP 17.98 (Elm Interlocking) to access SEPTA’s Stony Creek Branch for access to the Lansdale Interchange. Arrangements between CSXT and NSR to use any NSR property rights and/or trackage rights are addressed under separate agreements between NSR and CSXT.
- (3) For some types of Dimensional traffic, such as intermodal or automotive traffic, that moves to or from locations other than the Lansdale Interchange, CSXT has authority under its granted trackage rights to operate over the NSR Harrisburg Line and Abrams Yard; to SEPTA’s Norristown-Main Line Connecting Track between MP 18.0 (Norris) and MP 17.3 (Kalb); to SEPTA’s Norristown Branch between MP 17.3 (Kalb) and MP 16.8 (Ford); and to the NSR Morrisville Line to reach SEPTA’s West Trenton Branch/CSX Trenton Subdivision at MP 26.9 (CP Wood). Arrangements between CSXT and NSR to use any NSR property rights and/or trackage rights are addressed under separate agreements between NSR and CSXT.

7. Use and Maintenance of Stony Creek Branch.

The Stony Creek Branch (Line Code 0345), between MP 9.9 (Elm) and MP 3.0 will be used solely by CSXT, and jointly by CSXT and PNR between MP 3.0 and MP

0.0 (Lansdale). NSR had rights to the portion of the Stony Creek Branch between MP 5.0 and 9.9, but herein relinquishes any and all rights to use any portion of the Stony Creek Branch. NSR hereby agrees to assign its rights to the entirety of the Stony Creek Branch to CSXT. CSXT hereby agrees to assume responsibility for the maintenance of that portion of the Stony Creek Branch from MP 3.0 to MP 9.9 (Elm), not inclusive of the bounding interlockings, for which responsibility lies with SEPTA. PNRB hereby agrees to assume responsibility for the maintenance of that portion of the Stony Creek Branch from MP 3.0 to MP 0.0 (Lansdale).

8. Railroad Bridge Maintenance.

In accordance with United States Department of Transportation – Federal Railroad Administration regulations regarding bridge safety standards (49 CFR Parts 213 and 237), the Parties to the Trackage Agreements will, respectively, each be responsible for the maintenance of railroad under-grade bridges in accordance with the designations presented in the Exhibits of Attachment 2. Each Party that is responsible for maintenance of a railroad bridge(s) that is situated on a track segment owned by another Party shall furnish to the owner of that track segment a copy of each official bridge maintenance report for each calendar year.

9. Wayne Junction Station.

A. It is SEPTA's intention to renovate and upgrade ("Project Work") the Wayne Junction Station (the "Station"). Under the Americans with Disabilities Act, Project Work of this nature and degree at a railroad passenger station necessitates that high-level platforms be installed. The Parties hereby acknowledge and agree that SEPTA is permitted to construct high-level platforms as part of the Project Work that is planned for the Wayne Junction Station. SEPTA will submit the project plans to Conrail and CSXT for concurrence and coordination throughout the duration of the Project Work. SEPTA agrees to plan, develop and install an acceptable platform edge detail along Track #3 at Wayne Junction Station, with approval by CSXT and Conrail to be obtained prior to commencement of construction, which approval will not be unreasonably withheld.

B. SEPTA, Conrail, CSX, CSXT, NS, NSR, and PNRB all agree that the specific permission granted hereunder to construct high-level platforms at the Wayne Junction Station does not extend to any other station and shall not set a precedent with respect to any future plans by SEPTA to construct high-level platforms at any other location.

10. Liability Apportionment.

Financial responsibility for liability, and the handling of claims and lawsuits, for personal injury and property damage arising from, resulting from or related to the activities, operations and services conducted pursuant to this Supplemental Agreement or

the Trackage Agreements shall be governed by Article VI of the Trackage Rights Agreement, which article shall be applicable to the Parties herein, with the references therein to "Conrail" meaning Conrail, CSX, NS, CSXT, NSR and PNR, both individually and jointly in any combination, as applicable to the situation and circumstances at the time.

11. Insurance.

At all times for the duration of the Trackage Agreements, PNR shall carry and maintain, at its expense, the following insurance requirements:

A. Railroad liability insurance:

\$5 Million combined single limit (bodily injury and property damage) per occurrence, and \$10 Million annual aggregate.

B. Pollution liability insurance:

With the limited liability pollution coverage as afforded by the Railroad Liability Insurance policy.

C. When needed for construction-related work:

Railroad protective liability insurance.

\$5 Million combined single limit (bodily injury and property damage) per occurrence and \$10 Million annual aggregate, naming SEPTA as an insured.

12. Retention of Other Terms and Conditions.

The provisions and components of this Supplemental Agreement supersede all applicable aspects and sections of the Trackage Agreements and Exhibits 1 and 2 (for which the revised and updated information comprises Attachment 2 hereto). The other terms and conditions of the Trackage Agreements which are not superseded or modified by this Supplemental Agreement shall remain unchanged and in full force and effect.

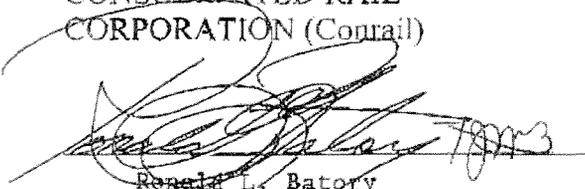
13. Counterparts.

This Supplemental Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto intending to be legally bound have executed this Supplemental Agreement as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION (Conrail)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)


Ronald L. Batory
Its: President & COO

Its: General Manager

Witness:

Attestation:

CSX CORPORATION (CSX)

NORFOLK SOUTHERN CORPORATION (NS)

Its: _____

Its: _____

Witness:

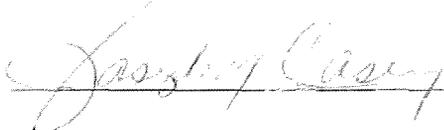
Witness:

IN WITNESS WHEREOF, the Parties hereto intending to be legally bound have executed this Supplemental Agreement as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION (Conrail)

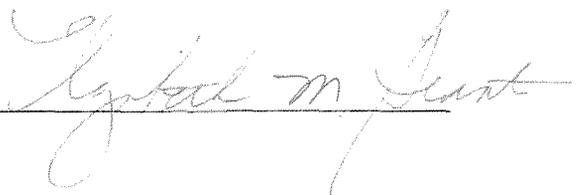
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)

Its: _____



Its: General Manager

Witness:

Attestation:


CSX CORPORATION (CSX)

NORFOLK SOUTHERN CORPORATION (NS)

Its: _____

Its: _____

Witness:

Witness:

APPROVED AS TO FORM:

BY:  ESQ.
GENERAL COUNSEL'S OFFICE (SEPTA)
August 8, 2011

IN WITNESS WHEREOF, the Parties hereto intending to be legally bound have executed this Supplemental Agreement as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION (Conrail)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)

Its: _____

Its: General Manager

Witness:

Attestation:

CSX CORPORATION (CSX)

NORFOLK SOUTHERN CORPORATION (NS)



NATHAN D. GOLDMAN

Its: GENERAL COUNSEL - CORPORATE
& TRANSPORTATION LAW AND
ASSISTANT GENERAL COUNSEL

Its: _____

Witness:


Witness:

IN WITNESS WHEREOF, the Parties hereto intending to be legally bound have executed this Supplemental Agreement as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION (Conrail)

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)

Its: _____

Its: General Manager

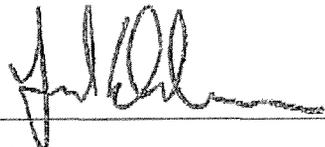
Witness:

Attestation:

CSX CORPORATION (CSX)

NORFOLK SOUTHERN CORPORATION (NS)

Its: _____



Its: HP CUSTOMER SERVICE

Witness:

Witness:


CSX TRANSPORTATION, INC.
(CSXT)

NORFOLK SOUTHERN RAILWAY
(NSR)



PAUL R. HITCHCOCK

Its: CORPORATE SECRETARY

Its: _____

Witness:

Witness:



PENNSYLVANIA NORTHEASTERN RAILROAD, LLC (PNRR)

Witness:

Its: _____

Witness:

CSX TRANSPORTATION, INC.
(CSXT)

NORFOLK SOUTHERN RAILWAY
(NSR)



Its: _____

Its: VA CUSTOMER SERVICE

Witness:

Witness:



PENNSYLVANIA NORTHEASTERN RAILROAD, LLC (PNRR)



Witness:

Its: President + General manager

Witness:



ATTACHMENT 1

CHRONOLOGY OF FREIGHT/PASSENGER SERVICE COORDINATION AGREEMENTS

NAME & DATE	PURPOSE	PARTIES
1) Deed by and between Conrail and SEPTA Contains the "Freight Service Easement" 3/30/1979	Conveyed to SEPTA the rights, title and interest in the railroad properties owned by Conrail in the five counties of the Philadelphia region. Also retained for Conrail an easement for the use of certain properties and railroad facilities for freight services.	Conrail, SEPTA
2) Transfer Agreement 9/1/1982	Transferred from Conrail to SEPTA the obligation to provided commuter rail service, by: - identifying commuter service responsibilities and the portions of the rail properties to be used chiefly for commuter service - identifying portions of rail properties to be used by Conrail for freight services - granting trackage rights for operating freight services over SEPTA properties	Conrail, SEPTA
3) Trackage Rights Agreement 10/1/1990	Established and delineated: (i) Conrail's and SEPTA's rights to access and use tracks and facilities on portions of each other's Rail Properties, and to jointly use certain rail properties; and (ii) the obligations of each party on the various properties.	Conrail, SEPTA
4) Transaction Agreement 6/10/1997	Identified and memorialized the various transactions involving Conrail, CSX and NS, culminating in CSX's and NS's acquisition of control, in common, of Conrail.	Conrail, CSX, NS
5) "Freight/ Passenger Operator Agreement" 6/01/1998	Implements the operational impacts of the Transaction Agreement by establishing terms that govern the freight operations of CSXT and NSR, and passenger operations by SEPTA on shared rail properties.	Conrail, CSX, NS, SEPTA
6) Separation Agreement for Trenton Line 3/25/2003	Facilitates the separation of passenger and freight service by track on the Trenton Line.	Conrail, CSX, NS, SEPTA

ATTACHMENT 2
RAIL PROPERTIES EXHIBITS

**ATTACHMENT 2
EXHIBIT 1
SEPTA RAIL PROPERTIES**

**CATEGORY A
PROPERTIES OWNED BY SEPTA AND USED SOLELY
BY FREIGHT OPERATORS**

LINE CODE	SEGMENT	FROM MILEPOST	TO MILEPOST	MAINTENANCE RESPONSIBILITY
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SEPTA RAIL PROPERTY USED SOLELY BY CSXT:

0345	STONY CREEK BRANCH	3.0	9.9 ELM	CSXT - TRACK & U.G. BRIDGES (EXCLUDES ELM INTERLOCKING)
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SEPTA RAIL PROPERTY USED SOLELY BY PNRR:

0301	BETHLEHEM BRANCH (BETHLEHEM RUNNING TRACK)	24.4 LANSDALE	30.5 TELFORD INTERCHANGE TRK	PNRR - TRACK & U.G. BRIDGES (EXCLUDES DALE INT)
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SEPTA RAIL PROPERTY USED BY CSXT AND PNRR:

0345	STONY CREEK BRANCH	3.0	0.0 LANSDALE	PNRR - TRACK & U.G. BRIDGES (EXCLUDES DALE INT)
0301	LANSDALE YARD	24.4	24.8	PNRR TO MAINTAIN YARD

SEPTA RAIL PROPERTY USED BY CSXT, PNRR AND CONRAIL:

0303	BLUE LINE BRANCH (BLUE LINE CONNECTING TRACK)	0.0 NICE	0.7 WAYNE	CSXT - NICE INTERLOCKING & NICE to WAYNE TRACK & SIGNAL SYSTEM SEPTA - WAYNE INTERLOCKING; TRACK & SIGNAL SYSTEM
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SEPTA RAIL PROPERTY USED SOLELY BY NSR:

0330	NORRISTOWN BRANCH (NORRISTOWN-MAIN LINE CONNECTING TRACK)	17.3 KALB	18.0 NORRIS	SEPTA - KALB INTERLOCKING; TRACK, SIGNAL & ET SYSTEM NSR - KALB to NORRIS, ISLAND INT & NORRIS INT; TRACK, U.G. BRIDGES & SIGNALS
0345	NORRISTOWN BRANCH (WYE CONNECTION)	17.7 ISLAND (MP 0.0 DEED)	17.6 BRIDGE (MP 0.29 DEED)	NSR - TRACK & U.G. BRIDGE SEPTA - BRIDGE INTERLOCKING; TRACK, SIGNAL & ET SYSTEM

**ATTACHMENT 2
EXHIBIT 1
SEPTA RAIL PROPERTIES**

**CATEGORY B
PROPERTIES OWNED BY SEPTA AND USED JOINTLY
BY SEPTA AND FREIGHT OPERATORS**

LINE CODE	SEGMENT	FROM MILEPOST	TO MILEPOST	MAINTENANCE RESPONSIBILITY
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SEPTA RAIL PROPERTY USED JOINTLY WITH CONRAIL:

0328	NINTH STREET BRANCH (SEPTA MAIN LINE)	3.0 16 TH ST JCT (SOUTHERN LIMITS)	5.1 WAYNE	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
1128	CHESTNUT HILL WEST BRANCH	0.0 N. PHILA	2.23	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
1130	WEST CHESTER BRANCH	2.3 (ARSENAL)	10.4	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
0308	CHESTNUT HILL EAST BRANCH	5.1	WAYNE INT LIMITS	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM

SEPTA RAIL PROPERTY USED JOINTLY WITH CSXT, PNRR AND CONRAIL:

0328	NINTH STREET BRANCH (SEPTA MAIN LINE)	5.1 WAYNE	6.7	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
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SEPTA RAIL PROPERTY USED JOINTLY WITH CSXT AND PNRR:

0328	NINTH STREET BRANCH (SEPTA MAIN LINE)	6.7	7.0 TABOR	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
0301	BETHLEHEM BRANCH (SEPTA MAIN LINE)	7.0 TABOR	24.4 LANSDALE	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
0326	NEW YORK BRANCH (SEPTA WEST TRENTON LINE)	10.8 JENKIN	21.1 NESHAMINY (SOUTHERN LIMITS)	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM

SEPTA RAIL PROPERTY USED JOINTLY WITH PNRR:

0311	DOYLESTOWN BRANCH	0.0 LANSDALE	10.13 DOYLESTOWN	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
0324	NEW HOPE BRANCH (SEPTA WARMINSTER LINE)	0.0 CARMEL	8.4 IVYLAND	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM

**ATTACHMENT 2
EXHIBIT 1
SEPTA RAIL PROPERTIES**

**CATEGORY B
PROPERTIES OWNED BY SEPTA AND USED JOINTLY
BY SEPTA AND FREIGHT OPERATORS
(Continued)**

LINE CODE	SEGMENT	FROM MILEPOST	TO MILEPOST	MAINTENANCE RESPONSIBILITY
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SEPTA RAIL PROPERTY USED JOINTLY WITH CSXT AND NSR:

0329	NORRISTOWN BRANCH	17.3 KALB	17.98 ELM	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
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SEPTA RAIL PROPERTY USED JOINTLY WITH NSR:

0329	NORRISTOWN BRANCH	3.5 16 TH ST JCT	17.3 KALB	SEPTA - TRACK, U.G. BRIDGES, SIGNAL & ET SYSTEM
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**ATTACHMENT 2
EXHIBIT 2
CSXT RAIL PROPERTIES**

**CATEGORY A
PROPERTIES OWNED BY CSXT AND
USED SOLELY BY SEPTA**

LINE CODE	SEGMENT	TRACK No.	FROM MILEPOST	TO MILEPOST	MAINTENANCE RESPONSIBILITY
0326	WEST TRENTON MU YARD (TRENTON SUBDIVISION)	ALL	32.6 TRENT	33.1	SEPTA - TRACK & ET SYSTEM (EXCLUDES TRENT INTERLOCKING)
0327	SEPTA FOX CHASE LINE	1	6.2 NEWTOWN JCT	9.6 CHELT JCT	SEPTA - TRACK, SIGNAL, ET SYSTEM & U.G BRIDGES

**CATEGORY B
PROPERTIES OWNED BY CSXT AND
USED JOINTLY BY CSXT AND SEPTA**

LINE CODE	SEGMENT	TRACK No.	FROM MILEPOST	TO MILEPOST	MAINTENANCE RESPONSIBILITY
0326	TRENTON LINE (CSXT TRENTON SUBDIVISION)	1 & 2	26.9 WOOD	33.0	SEPTA - ET SYSTEM & YARDLEY STATION CSXT - TRACK & SIGNAL SYSTEM

**CATEGORY C
PROPERTIES OWNED BY CSXT AND
USED JOINTLY BY SEPTA AND
CSXT WITH FREIGHT MOVEMENT RESTRICTION***

LINE CODE	SEGMENT	TRACK No.	FROM MILEPOST	TO MILEPOST	MAINTENANCE RESPONSIBILITY
0326	NEW YORK BRANCH (SEPTA WEST TRENTON LINE)	1 & 2	21.1 NESHAMINY (SOUTHERN LIMITS)	26.9 WOOD	SEPTA - ET SYSTEM; NESHAMINY INTERLOCKING; AND NESHAMINY FALLS, LANGHORNE & WOODBOURNE STATIONS; SIGNAL SYSTEM; TRACK; AND U.G. BRIDGES (EXCLUDES WOOD INTL)

* FREIGHT RESTRICTION: SEGMENT USED ONLY FOR SERVING BUCKS COUNTY INDUSTRIAL PARK AND AS A CONTINGENCY BACK-UP ROUTE TO INTERCHANGE THE LANSDALE CLUSTER FOR NON-DIMENSIONAL TRAFFIC ONLY.

**EXHIBIT C - FEDERAL REGISTER
NOTICE**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35546

CSX TRANSPORTATION, INC.—TRACKAGE RIGHTS EXEMPTION—
NORFOLK SOUTHERN RAILWAY COMPANY,
PENNSYLVANIA NORTHEASTERN RAILROAD, LLC, AND
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

Norfolk Southern Railway Company (“NSR”) has agreed to assign its local and overhead trackage rights to CSX Transportation, Inc. (“CSXT”) over the Stony Creek Branch between milepost QAC 5.0 at Belfrey and milepost QAC 9.9 at Elm, a distance of 4.9 miles in Pennsylvania. CSXT has retained overhead trackage rights as a result of the transfer of certain rights to the Pennsylvania Northeastern Railroad, LLC (“PN”) for the purpose of interchanging with PN on the following lines: (1) a portion of Bethlehem Branch between milepost QAJ 7.0 at Tabor and milepost QAJ 24.4 at Lansdale (including Lansdale Yard between milepost QAJ 24.4 and milepost QAJ 24.8); (2) a portion of the Ninth Street Branch between milepost QAJ 6.7 at Newtown Jct. and milepost QAJ 7.0 at Tabor (formerly known as part of Bethlehem Branch); (3) the New York Line between milepost QAA 10.8 at Jenkin (also known as Jenkintown) and milepost QAA 21.1 at Neshaminy (also known as Neshaminy Falls); and (4) the Stony Creek Branch between milepost QAC 0.0 at Lansdale and milepost QAC 3.0 near West Point, a total distance of 31.0 miles (31.4 miles including Lansdale Yard), all in Pennsylvania. CSXT’s trackage rights over the Southeastern Pennsylvania Transportation Authority (“SEPTA”) have been restated, clarified, and amended as to the following lines: (1) overhead and local trackage

rights on the Stony Creek Branch between milepost QAC 3.0 near West Point and milepost QAC 5.0 at Belfrey; (2) overhead trackage rights on the Blue Line Branch (Blue Line Connecting Track) between milepost 0.0 at Nice and milepost 0.7 at Wayne; (3) overhead trackage rights on a portion of the Ninth Street Branch between milepost QA 5.1 at Wayne, and milepost QAJ 6.7 at Newtown Jct.; and (4) overhead trackage rights on a portion of the Norristown Branch between milepost 17.3 at Kalb, and milepost 17.98 at Elm, a total distance of 4.98 miles all in Pennsylvania. The total mileage is 41.28 miles including Lansdale Yard.

The overhead and local trackage rights will be effective on or after September 28, 2011.

As a condition to this exemption, any employee affected by the acquisition of the trackage rights will be protected by the conditions imposed in *Norfolk and Western Railway Ry. Co.—Trackage Rights—BN*, 354 I.C.C. 605 (1978), as modified by *Mendocino Coast Ry., Inc.—Lease and Operate*, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35546, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E. Gitomer, Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, Lou@lgrailaw.com.

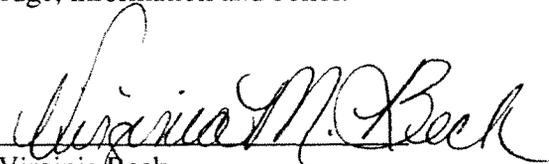
Dated:

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

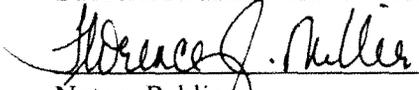
VERIFICATION

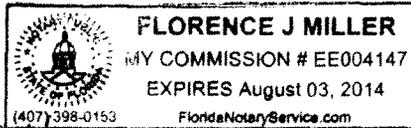
State of Florida)
)ss
County of Duval)

I, Virginia Beck, being duly sworn, depose and state that I am Director Passenger and Joint Facility Agreements of CSX Transportation, Inc., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption, and know the facts asserted therein are true and accurate to the best of my knowledge, information and belief.


Virginia Beck

Subscribed and sworn to before me this 17th day of August 2011.

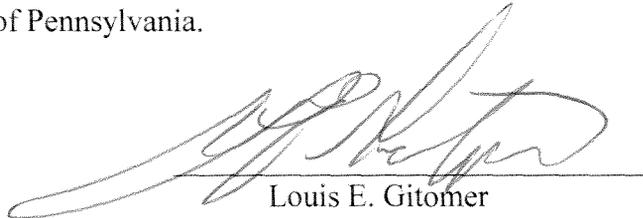

Notary Public



My Commission expires: Aug. 3, 2014

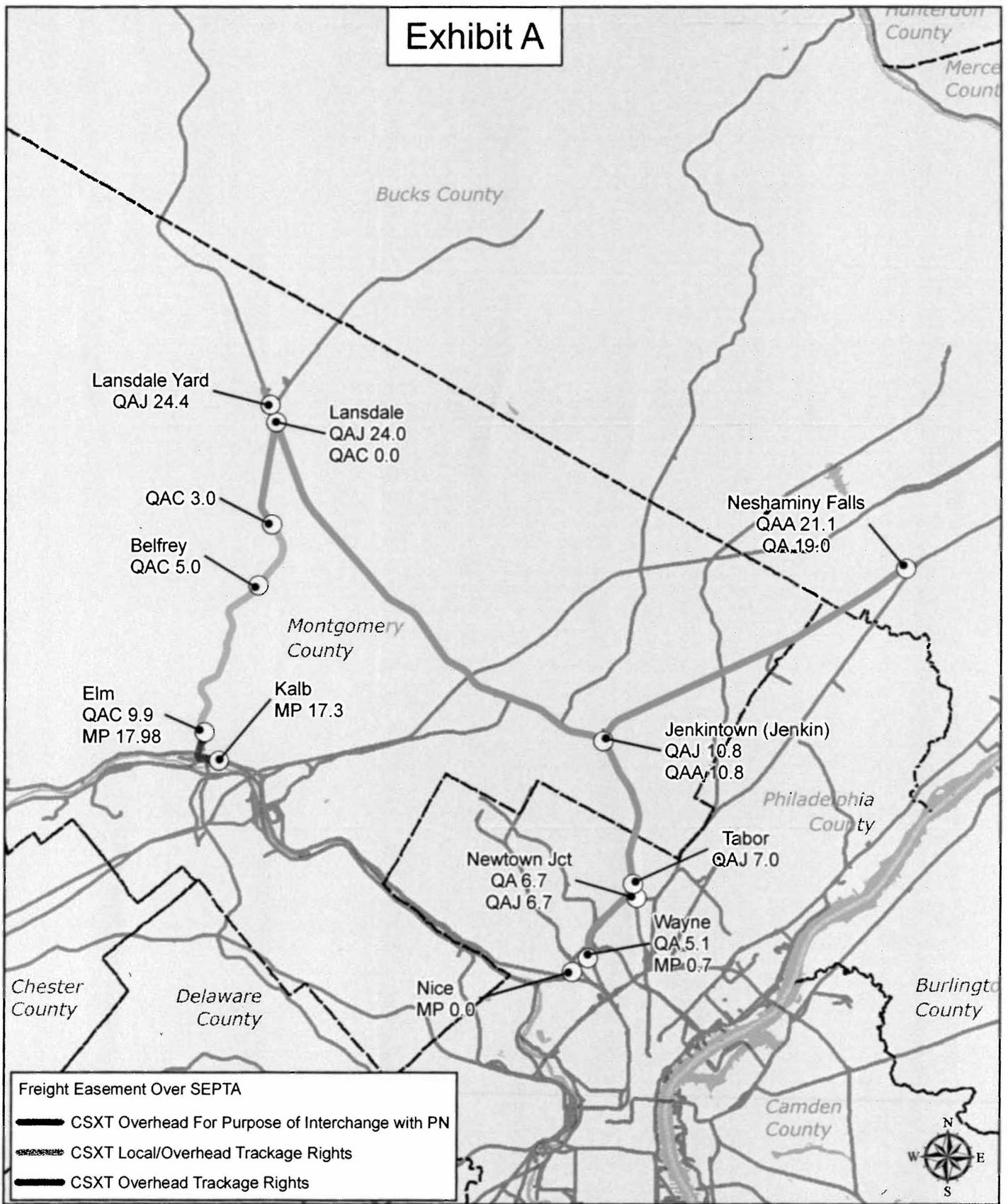
CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35546, *CSX Transportation, Inc.—Trackage Rights Exemption— Norfolk Southern Railway Company, Pennsylvania Northeastern Railroad, LLC, and Southeastern Pennsylvania Transportation Authority*, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the Commonwealth of Pennsylvania.

A handwritten signature in black ink, appearing to read 'L. Gitomer', is written over a horizontal line.

Louis E. Gitomer
August 29, 2011

Exhibit A



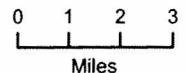
Freight Easement Over SEPTA
 — CSXT Overhead For Purpose of Interchange with PN
 - - - CSXT Local/Overhead Trackage Rights
 — CSXT Overhead Trackage Rights



Creation Date: August 26, 2011

CSX Transportation, Inc.

Trackage Rights Over
 Southeastern Pennsylvania Transportation Authority (SEPTA)
 STB Finance Docket No. 35546



CSX Real Property, Inc.