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October 23, 2013

234997

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

ENTERED
Office of Proceedings
October 23, 2013
Part of the Public
Record

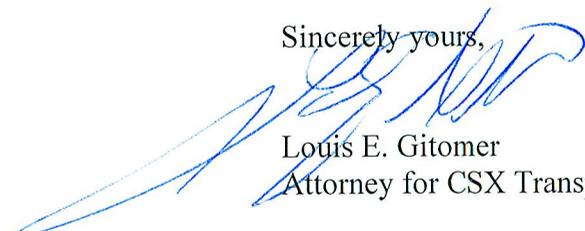
Re: Finance Docket No. 35778, *CSX Transportation, Inc. – Trackage Rights
Exemption – Glasgow Railway Company*

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.

Enclosures

FILED
October 23, 2013
Surface Transportation Board

FEE RECEIVED
October 23, 2013
Surface Transportation Board

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35778

CSX TRANSPORTATION, INC.—TRACKAGE RIGHTS EXEMPTION—
GLASGOW RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION

Steven C. Armbrust, Esq.
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500 Water Street J-150
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Towson, MD 21204
(410) 296-2250
Lou@lgrailaw.com

Attorneys for: CSX Transportation, Inc.

Dated: October 23, 2013

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35778

CSX TRANSPORTATION, INC.—TRACKAGE RIGHTS EXEMPTION—
GLASGOW RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION

CSX Transportation, Inc. (“CSXT”) submits this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. §1180.2(d)(7) for overhead and local trackage rights over the rail line of the Glasgow Railway Company (“Glasgow”) in Kentucky. The overhead and local trackage rights are between Park City, KY, milepost 00E-90.85, and Glasgow, KY, the end of the line, milepost 00E-101.00, a distance of approximately 10.15 miles, including all sidings, yard tracks and yard leads now existent or hereafter constructed along or at the end of the aforesaid tracks (the “Line”).

The parties have entered a written agreement for the trackage rights, which are not sought as a responsive application in a rail consolidation proceeding.¹

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

¹ A redacted version of the Trackage Rights Agreement is attached hereto in Exhibit A. An unredacted copy of the Trackage Rights Agreement is being concurrently filed with a Motion for Protective Order.

CSXT is acquiring overhead and local trackage rights over the entire rail line of Glasgow in Kentucky. The trackage rights are between Park City, KY, milepost 00E-90.85, and Glasgow, KY, the end of the line, milepost 00E-101.00, a distance of approximately 10.15 miles, including all sidings, yard tracks and yard leads now existent or hereafter constructed along or at the end of the aforesaid tracks. A color map showing the Line is attached hereto in Exhibit C.

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

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

Glasgow Railway Company
1010 W Main Street
Glasgow, KY 42141

Questions and correspondence concerning this notice may be addressed to:

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

(a)(1)(ii) Consummation Date

The transaction is scheduled to be consummated on or shortly after November 22, 2013.

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

CSXT will use the Line to serve local and overhead traffic.

(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, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio,

Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Provinces of Ontario and Québec.

Glasgow owns railroad property in the Commonwealth of Kentucky.

The overhead and local trackage rights are located in the Commonwealth of Kentucky.

(a)(6) Map

A color map illustrating the involved trackage rights is attached as Exhibit C.

(a)(7)(ii) Agreement

A copy of the redacted executed Trackage Rights Agreement is attached as Exhibit A.

Labor Protection

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

Section 1180.4(g)(4)(i) Supporting Information

(i)(A) There are no limitations on future interchange with a third party connecting carrier in the Trackage Rights Agreement. CSXT and Glasgow are the only carriers that interchange on the Line.

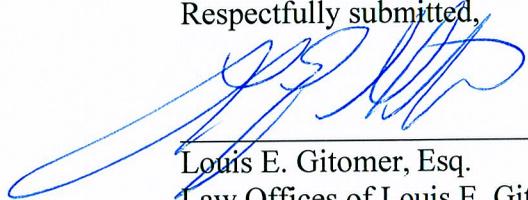
(i)(B) A redacted copy of the Trackage Rights Agreement is attached hereto in Exhibit A.

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,



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

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

Attorneys for: CSX Transportation, Inc.

Dated: October 23, 2013

VERIFICATION

State of Florida)
)ss
County of Duval)

I, Joanna Griffith, being duly sworn, depose and state that I am Director – Joint Facilities & Network Rationalization 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.

Joanna Griffith
Joanna Griffith

Subscribed and sworn to before me this 21st day of October 2013.

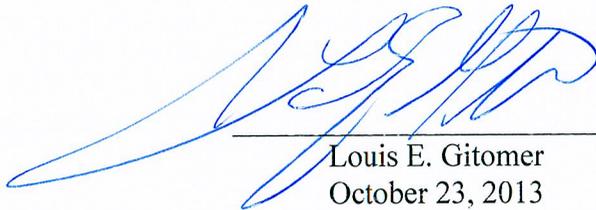
Steph Reynolds
Notary Public



My Commission expires: 9-11-2016

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35778, *CSX Transportation, Inc.—Trackage Rights Exemption—Glasgow Railway Company*, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governor, Public Service Commission, and Department of Transportation of the Commonwealth of Kentucky.



Louis E. Gitomer
October 23, 2013

EXHIBIT A-AGREEMENT

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this ____ day of _____, 2013, by and between the **GLASGOW RAILWAY** (hereinafter referred to as "**GLASGOW**" or "**OWNER**") and the **CSX TRANSPORTATION, INC.** (hereinafter referred to as "**CSXT**" or "**USER**"). **GLASGOW** and **CSXT** are sometimes referred to individually herein as a "Party" and collectively as the "Parties."

WHEREAS **GLASGOW** is the owner of a line of railroad between Park City, Kentucky and Glasgow, Kentucky (the "Line"); and

WHEREAS, **GLASGOW** and **CSXT** are parties to a 1936 Agreement, as amended and supplemented (the "1936 Agreement"); and

WHEREAS, **GLASGOW** and **CSXT** desire to terminate the 1936 Agreement and replace it with a contemporary arrangement more consistent with rail industry standards; and

WHEREAS, **GLASGOW** agrees to grant overhead and local trackage rights for the movement of certain freight traffic over the Line, subject to the terms and conditions set forth herein.

NOW THEREFORE, the Parties, intending to be legally bound, agree as follows:

SECTION 1.0 **GRANT OF TRACKAGE RIGHTS**

1.1 Subject to the terms and conditions herein provided, Owner hereby grants to User the exclusive right to operate, in overhead and local trackage rights for the movement of certain freight in its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

(i) Between **CSXT**'s connection with **GLASGOW** at or near Milepost 00E-90.85 in Park City, KY and the end of the Line at Glasgow, KY at or near Milepost 00E-101.00, a total distance of approximately 10.15 miles including in addition (1) all sidings, yard tracks and yard leads now existent or hereafter constructed along or at the end of the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the Parties.

(ii) Such rights shall include the right to enter and exit the Subject Trackage at **GLASGOW**'s connection with **CSXT** at or near Milepost 00E-90.85 in Park City, KY.

(iii) For purposes of calculating compensation as further defined in Section 4.0 herein, the mileage is based on the customer's location on the line. At the time of this Agreement, it is understood that all customers are located at the end of the line, at or near Milepost 00E-101.0. Compensation for new customers, or customers relocating to new locations, will be calculated based on their railroad milepost location along the line.

SECTION 2.0 USE OF SUBJECT TRACKAGE

2.1 User's use of the Subject Trackage shall be in common with Owner, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement.

2.2 User shall have the right to operate in either direction over the Subject Trackage.

2.3 The rights provided to User under the terms of this Agreement are for the sole purpose of User transporting its own traffic over the Subject Trackage. Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the User any right or benefit under or by reason of this Agreement.

SECTION 3.0 RESTRICTION ON USE

3.1 The Trackage Rights herein granted are granted for the sole purpose of User using same for overhead and local traffic only between the terminals (including those entry and exit locations defined in Section 1.0) of Subject Trackage.

3.2 CSXT may operate an unlimited number of trains over the Subject Trackage.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be _____ per car mile (hereinafter referred to as the "Base Charge") for each mile traveled in both directions on the Subject Trackage.

4.2 Thereafter and except as provided for in Section 4.3, User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Section 4.5, by (ii) the number of cars and locomotive units moved by User with its own crews and power over the Subject Trackage, by (iii) the miles described in Section 1.1(iii) for the applicable move. For purposes of this Agreement, each locomotive unit, and each platform of an articulated car shall be counted as one car.

4.3 With respect to articulate units, the number of cars shall be determined by the AAR Car Type Code as defined in the ULMER Specification Manual. The second character in the Car Type Code field covering codes "Q" and "S" will be the factor in determining the car count for an articulated unit. For example, AAR Car Type Code (S566) would equate to a five (5) car count as these type cars have five wells capable of handling 40' to 53' containers in each well. (Car count data for articulated units are subject to change upon development of technology to separate units by car numbers.)

4.4 User will furnish to Owner at the end of each month, a statement of the number of loaded and empty cars operated over the Subject Trackage during the month. Owner will validate the statement via submission of electronic mail to JFINvoices-In@csx.com. Upon receipt of such validation, User will initiate an electronic transfer into an account designated by Owner the amount due for the month as computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage.

4.5 The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

- (i) The Base Charge set forth in Section 4.1 of this Agreement shall be revised effective July 1st of each year, beginning July 1st, 2014 to compensate for the prior year increase or decrease in the cost of labor and material,

excluding fuel, as reflected in Table A, Annual Indices of Charge-Out Prices and Wage Rates (1977=100), Series RCR, included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads (hereinafter referred to as "AAR"). In making such determination, the final "Material prices, wage rates and supplements combined (excluding fuel)" index for the East District shall be used.

The Base Charge shall be revised by calculating the percentage of increase for the year to be revised based on the final index of the most recently completed calendar year as related to the final index of the calendar year prior to the most recently completed calendar year; and applying this percentage of increase to the current Base Charge to be escalated.

In cases where the methodology set forth in this section would produce a decrease in the Base Charge, the Base Charge will not decrease, but will continue at the previous year's rate.

- (ii) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year (2011) prior to the most recently completed calendar year; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the most recently completed calendar year (2012); and "C" to be the current Base Charge to be escalated; the revised Base Charge would be determined by the following formula:

$$B/A \times C = \text{Revised Base Charge, Rounded to third decimal point}$$

- (iii) In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the AAR shall be changed from the year 1977, appropriate revision shall be made. If the AAR or any successor organization discontinues publication of the Annual Indices of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the Parties. In the absence of agreement, the matter will be referred to the Surface Transportation Board ("STB") for determination. In the event said Board is without jurisdiction to make such a determination, the Parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the Parties. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

SECTION 5.0 PAYMENT OF BILLS

5.1 All payments called for under this Agreement shall be made by User within forty-five (45) days after receipt of bills therefor, which is the date Owner furnishes to User its validation of the monthly statement pursuant to section 4.4. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the Parties shall be adjusted in the accounts of a subsequent month.

5.2 The records of each Party, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other Party for a period of two (2) years from the date of billing.

5.3 Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner for User.

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own or contracted supervision and labor. Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, at no less than FRA Class 1 standard. If in the opinion of User, Owner has failed to maintain the aforementioned standard, Owner shall be given written notice of such failure. If Owner has not corrected such failure within 14 days of receiving notice under this section, and such failure jeopardizes in any manner the safe and efficient operation of User's equipment, User shall be entitled to remedy such failure and recover from Owner the costs of doing so.

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

Any additional connections to the Subject Trackage which may be required by User shall be subject to the Owner's approval (including design), which shall not be unreasonably withheld or delayed, and shall be constructed, maintained, repaired, and renewed as follows:

- (i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User; and

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its

judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 It is understood and agreed that User will direct all train movements on the Subject Trackage.

9.2 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.3 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of User, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of User. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by User's operating rules and regulations or without the prior consent of Owner, which shall not be unreasonably withheld.

9.4 Owner may request an investigation at its option if User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, if any, or if an incident occurs which requires an investigation under applicable agreement rules, if any. User will schedule the investigation and notify Owner's Local Transportation Officer in the territory. User's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules, if any, to User at no cost.

9.5 If Owner requests an investigation, Owner shall have the right to exclude from the Subject Trackage any employee of User, except officers, determined by Owner as the result of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions, if any.

9.6 In a major offense including, but not limited to, violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules or other offenses of comparable magnitude, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

9.7 If Owner requests an investigation, an Officer of User will conduct the investigation, but an officer of Owner may be present. After the investigation is concluded, a Transportation Officer of User will arrange to assess discipline; within the applicable time limits. If Owner

recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

9.8 If the disciplinary action is appealed by the employee of User to the National Railroad Adjustment Board or other tribunal lawfully created to adjudicate such cases, and if the decision of such board or tribunal sustains the employee's position, such employee shall not be barred from service on the Subject Trackage by reason of such occurrence (unless an arbitration concerning such matter is held pursuant to this Agreement and this arbitration upholds Owner's continued exclusion of such employee).

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

9.10 The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated on a first come, first service basis without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic.

9.11 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the Parties shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's account in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 11.0 CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, User shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof.

SECTION 12.0 LIABILITY

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

- (a) User shall be solely responsible for all Losses, unless any Loss results from a failure of the Subject Trackage caused by the active negligence of Owner. Owner shall not be liable for any Loss resulting from a failure of the Subject Trackage if the active negligence of the User caused such failure.
- (b) Whenever any liability, cost, or expense is assumed by or apportioned to any Party under the foregoing provisions, that Party shall forever protect, defend, indemnify, and save harmless the other Party and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that Party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
- (c) In every case of death or injury suffered by an employee of any Party, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said Parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such Party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.
- (d) 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.
- (e) In the event of a Loss as set out herein, the Parties shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading.
- (f) Notwithstanding the provisions of Section 17.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

12.2 In the event of a closure of the Subject Trackage for any reason, Owner assumes no liability for any lost revenue or other losses incurred by User as a result of the track closure.

SECTION 13.0 **INVESTIGATION AND CLAIMS**

13.1 Each Party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Part 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.2 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either Party engaged directly or indirectly in such work shall be borne by such Party.

13.3 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Part 1005 or similar regulation, neither Party shall settle or compromise any claim, demand, suit, or cause of action for which the other Party has any liability under this Agreement without the concurrence of such other Party if the consideration for such settlement or compromise exceeds thirty-five thousand dollars (\$35,000).

13.4 Each Party agrees to indemnify and hold harmless the other Party and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, pursuant to a collective bargaining agreement. It is the intention of the Parties that each Party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employee arising under its collective bargaining agreements with its employees.

13.5 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 **DISPUTE RESOLUTION**

14.1 If at any time a question or controversy shall arise between the Parties in connection with this Agreement upon which the Parties cannot agree, either Party shall have the right to require a meeting of designated representatives with authority to settle the matter within 30 days of written notice of a desire to meet; if it cannot be resolved within 30 days of the meeting of the Parties, then the aggrieved Party may demand arbitration. Unless other procedures are agreed to by the Parties, arbitration between the Parties pursuant to this Section 14 shall be governed by the rules and procedures set forth in this Section 14. For all purposes, this Agreement shall be governed by and construed in accordance with the laws of the State of Kentucky, regardless of its conflicts of law principles.

14.2 If the Parties to the dispute are able to agree upon a single competent and disinterested arbitrator within twenty (20) days after written notice by one Party of its desire for arbitration to the other Party, then the question or controversy shall be submitted to and settled by that single arbitrator. Otherwise, any Party (the notifying Party) may notify the other Party (the noticed Party) in writing of its request for arbitration, including with notice its appointment of one arbitrator. Within twenty (20) days after receipt of said notice, the noticed Party shall appoint an arbitrator and notify the notifying Party in writing of such appointment. Should the noticed Party fail within twenty (20) days after receipt of such notice to appoint its arbitrator, said arbitrator may be appointed by the American Arbitration Association (the "AAA"), which shall designate said appointment from the CPR Panel of Distinguished Neutrals, or other similar body of competent neutral arbitrators which may be agreed upon between the Parties, upon

application by either Party after ten (10) days' written notice to the other Party. The two arbitrators so chosen shall select one additional arbitrator to complete the board. If the arbitrators so chosen fail to agree upon an additional arbitrator, the same shall, upon application of a Party, be appointed in the same manner hereto before stated by the AAA.

14.3 Upon selection of the arbitrator(s), said arbitrator(s) shall, with reasonable diligence, determine the questions as disclosed in said notice of arbitration, shall give both Parties reasonable notice of the time and place (of which the arbitrator(s) shall be the judge) of hearing evidence and argument, may take such evidence as the arbitrator(s) shall deem reasonable or as either Party may submit with witnesses required to be sworn, and hear arguments of counsel or others. If an arbitrator declines or fails to act, the Party (or Parties in the case of a single arbitrator) by whom the arbitrator was chosen or the American Arbitration Association, as the case may be, shall appoint another to act in the arbitrator's place.

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

14.5 Each Party to the arbitration shall pay all compensation, costs, and expenses of the arbitrator appointed in its behalf and all fees and expenses of its own witnesses, exhibits, and counsel. The compensation, cost, and expenses of the single arbitrator or the additional arbitrator in the board of arbitrators shall be paid in equal shares by all Parties to the arbitration.

14.6 The Parties may obtain discovery and offer evidence in accordance with the Federal Rules of Civil Procedure Rules 26 - 37, and Federal Rules of Evidence, as each may be amended from time to time.

SECTION 15.0 REGULATORY APPROVAL

15.1 Should implementation of this Agreement require the prior approval and authorization of the STB, User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

15.2 Each Party shall assume and hold the other Party harmless from all claims by their respective employees predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the Parties hereunder, whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

SECTION 16.0 ABANDONMENT OF SUBJECT TRACKAGE

16.1 Notwithstanding the provisions of Section 20 of this Agreement, Owner may abandon the Subject Trackage during the term of this Agreement, or any renewals hereof, upon

giving User not less than ninety (90) days' written notice of Owner's intent to abandon. In the event regulatory authority is required to effect such abandonment, User will not interfere with Owner's actions to seek and to exercise such authority. In the event regulatory authority is required for User to discontinue its own operations over the Subject Trackage, User will seek and diligently pursue such regulatory authority at the same time that Owner seeks regulatory authority to abandon the Subject Trackage, or as soon thereafter as User may do so in accordance with applicable statutes and regulations. User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date that Owner is authorized to abandon the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination. As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

16.2 User may seek discontinuance authority at any time, regardless of whether Owner has or is seeking abandonment authority.

16.3 In the event Owner seeks to abandon or desires to sell the Subject Trackage or any portion thereof, User shall have a first right of refusal to purchase the Subject Trackage or any portion thereof either pursuant to 49 U.S.C. Section 10904 or through negotiations with Owner.

SECTION 17.0 GENERAL PROVISIONS

17.1 This Agreement and each and every provision hereof are for the exclusive benefit of the Parties and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the Parties.

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

17.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the Parties and supersede any and all oral understandings between the Parties.

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

17.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the Parties such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such Party. Whenever such locomotives, cars or equipment are owned or leased by one Party and are in the possession or account of the other Party, such locomotives, cars, and equipment shall be considered those of the other Party under this Agreement.

17.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

17.7 This Agreement is the result of mutual negotiations of the Parties, neither of whom shall be considered the drafter for purposes of contract construction.

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

SECTION 18.0 SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. No Party shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation, provided, however, that GLASGOW may assign this Agreement to a newly formed related entity with CSXT's written consent, and CSXT may assign this Agreement to any of its affiliates without GLASGOW's prior consent.

SECTION 19.0 NOTICE

19.1 Any notice required or permitted to be given by one Party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the Parties may mutually agree, and shall be addressed as follows:

If to Owner:

Robert H. Lessenberry
Glasgow Railway
1010 West Main Street
Glasgow, KY 42141

and

Charles E. English
English, Lucas, Priest & Owsley, LLP
1101 College St.
P.O. Box 770
Bowling Green, KY 42102

If to User:
Director, Network Planning
CSX Transportation, Inc.
500 Water Street – J315
Jacksonville, FL 32202

19.2 Either Party may provide changes in the above addresses to the other Party by personal service or certified mail.

SECTION 20.0 COMMENCEMENT, TERM AND TERMINATION

20.1 This Agreement shall take effect on August 24, 2013, subject to STB approval. The date that User commences operations over the Subject Trackage pursuant to this Agreement shall be referred to herein as the "Commencement Date", and shall be evidenced by an exchange of correspondence between the appropriate officers of the Parties.

20.2 This Agreement shall continue in full force and effect for a period of twenty (20) year(s) from the Commencement Date, and shall continue in full force and effect, subject to renewal by either Party, for an unlimited number of additional ten (10) year terms, provided, however, CSXT has the right to terminate this Agreement upon giving GLASGOW a thirty (30) day advance written Notice and GLASGOW has the right to terminate this Agreement upon giving CSXT a thirty (30) day advance written Notice.

20.3 Termination of this Agreement shall not relieve or release either Party from any obligations assumed or from any liability which may have arisen or been incurred by either Party under the terms of this Agreement prior to the termination hereof.

20.4 Upon termination or non-renewal of this Agreement for any reason, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the STB or other regulatory body having jurisdiction authorizing discontinuance of the Trackage Rights herein granted. If User initiates any action to obtain approval from the STB or other regulatory body having jurisdiction authorizing discontinuance of the Trackage Rights herein granted based upon termination of the Agreement by Owner, Owner shall compensate User for the costs incurred in seeking such discontinuance authority, except in the circumstances described in section 20.5.

SECTION 21.0 PRIOR AGREEMENTS

This Agreement terminates and replaces the 1936 Agreement, including any and all amendments and supplements thereto, in its entirety.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

WITNESS

GLASGOW RAILWAY COMPANY

By: _____

Name
Title

Date: _____

WITNESS

CSX TRANSPORTATION, INC.

By: _____

Christopher Maffett

Director, Network Planning

**EXHIBIT B-FEDERAL REGISTER
NOTICE**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35778

CSX TRANSPORTATION, INC.—TRACKAGE RIGHTS EXEMPTION—
GLASGOW RAILWAY COMPANY

The Glasgow Railway Company has agreed to grant overhead and local trackage rights to CSX Transportation, Inc. (“CSXT”). The overhead and local trackage rights are between Park City, KY, milepost 00E-90.85, and Glasgow, KY, the end of the line, milepost 00E-101.00, a distance of approximately 10.15 miles, including all sidings, yard tracks and yard leads now existent or hereafter constructed along or at the end of the aforesaid tracks. The overhead trackage rights will be effective on or after November 22, 2013.

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.

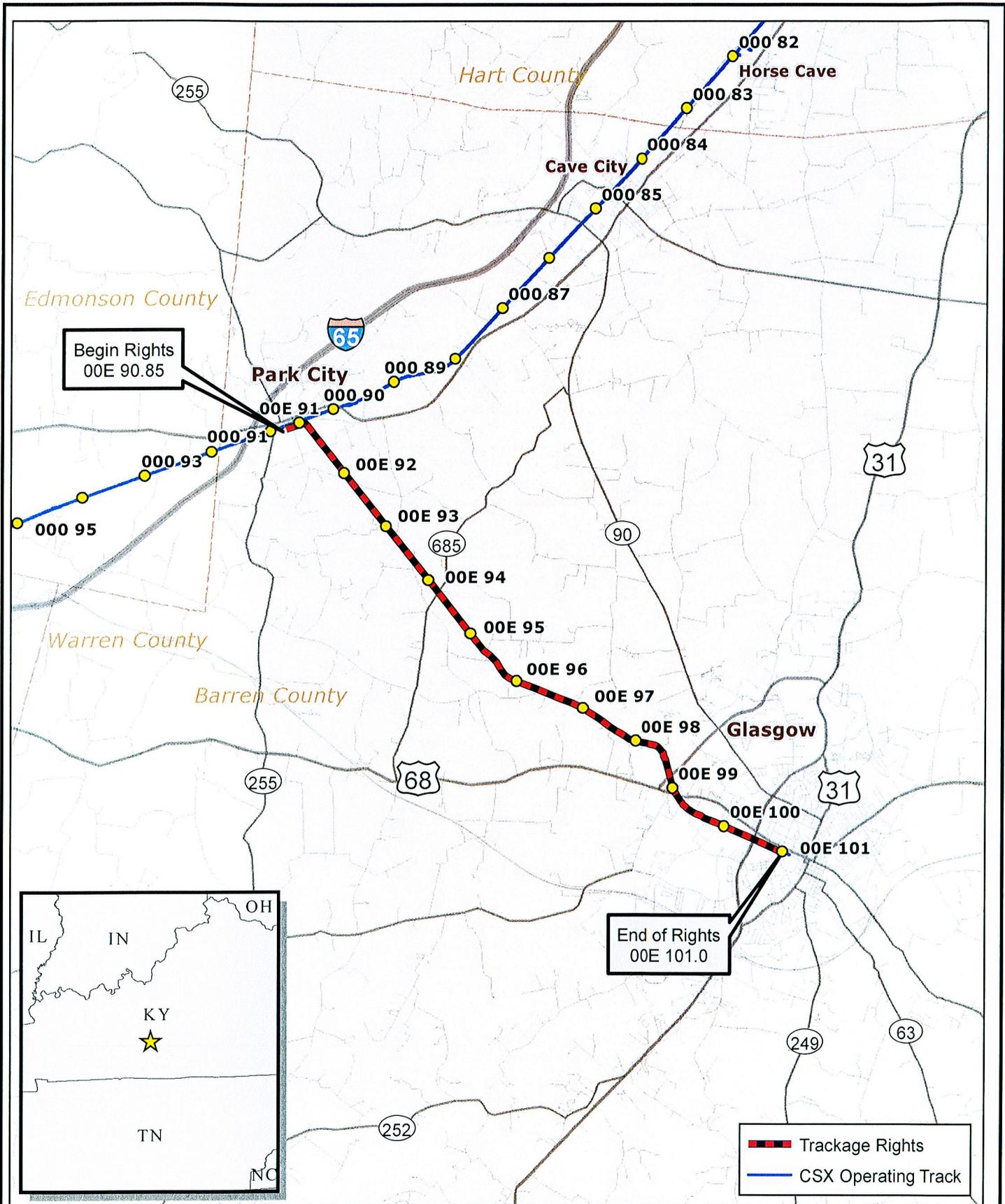
An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35778, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E. Gitomer, Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, Lou@lgraillaw.com.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided:

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

EXHIBIT C-MAP



CSX Real Property, Inc.

**CSX Transportation, Inc.
Trackage Rights Over Glasgow Railway**

00E 90.85 to 00E 101.0
Total Distance of approx. 10.15 Miles
Park City - Glasgow, Barren County, KY

