

**WEINER
BRODSKY
SIDMAN
KIDER PC**

228221

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NOV 12 2010

**SURFACE
TRANSPORTATION BOARD**

November 12, 2010

BY HAND

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

Office of Proceedings

NOV 12 2010

Part of
Public Record

NOV 12

Re: **STB Finance Docket No. 35445; Louisville & Indiana Railroad Company –
Trackage Rights Exemption – CSX Transportation, Inc.**

Dear Ms. Brown:

Enclosed for filing in the above-captioned proceeding are an original and 10 copies of the Verified Notice of Exemption (the "Notice") of the Louisville & Indiana Railroad Company ("L&I"), pursuant to 49 C.F.R. § 1180.2(d)(7). In accordance with 49 C.F.R. § 1180.6(a)(6), also enclosed for filing in this proceeding are an additional 20 copies of each map exhibit attached to the Notice. Finally, enclosed is a check in the amount of \$1,200 to cover the cost of the filing.

The trackage rights agreement, attached to the Notice as an exhibit, is redacted to protect against the release of certain confidential, proprietary and/or commercially sensitive information. Concurrent with this filing, L&I has filed with the Surface Transportation Board in this proceeding (i) an unredacted version of the trackage rights agreement, "under seal," and (ii) a Motion for Protective Order.

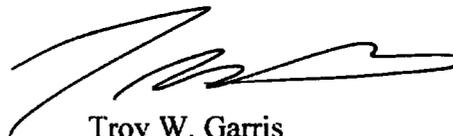
Please acknowledge receipt of this filing by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

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**SURFACE
TRANSPORTATION BOARD**

Very truly yours,



Troy W. Garris

Enclosures

228221

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35445

**Louisville & Indiana Railroad Company
-- Trackage Rights Exemption --
CSX Transportation, Inc.**

VERIFIED NOTICE OF EXEMPTION

PURSUANT TO 49 C.F.R. § 1180.2(d)(7)



Applicant's name, address and telephone number:

49 C.F.R. § 1180.6(a)(1)(i)

Louisville & Indiana Railroad Company
500 Willinger Lane
Jeffersonville, IN 47130
(812) 288-0940

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**SURFACE
TRANSPORTATION BOARD**

Applicant's representative to receive correspondence:

49 C.F.R. § 1180.6(a)(1)(i)

The representative of Louisville & Indiana Railroad Company to receive correspondence in this matter is:

Troy W. Garris
Weiner Brodsky Sidman Kider PC
2904 Corporate Cir.
Flower Mound, TX 75028
(469) 635-7539

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**SURFACE
TRANSPORTATION BOARD**

Brief Summary of the proposed transaction:

49 C.F.R. § 1180.6(a)(1)(i)

Louisville & Indiana Railroad Company ("L&I") files with the Surface Transportation Board (the "Board") this Verified Notice of Exemption, under 49 C.F.R. § 1180.2(d)(7), with respect to the grant of non-exclusive, overhead trackage rights by CSX Transportation, Inc. ("CSXT") to L&I. In the proposed transaction, CSXT is granting L&I the right to operate L&I trains

(locomotives, cars or equipment) including traffic in the account of Indiana Rail Road Company (“INRD”) over CSXT trackage as follows:

(1) CSXT’s Louisville Secondary between connection of CSXT and L&I at CSXT Milepost (MP) QSL 4.0, and connection of Louisville Secondary with CSXT’s Indianapolis Terminal Subdivision at CP IU via Meridian Wye at MP QSL 0.0, a distance of 4.0 miles; thence via either:

(a) CSXT’s Indianapolis Terminal Subdivision between MP QI 283.9 at CP IU, and MP QS 12.5 at CP AN at the west end of Avon Yard, including such Avon Yard trackage as designated by the CSXT Avon Yardmaster at the time of movement, a distance of 12.5 miles approximately; or via

(b) CSXT’s Indianapolis Terminal Subdivision between MP QI 283.9 at CP IU, and MP QS 0.9 at CP IJ, Crawfordsville Branch between MP QSC 0.7 at CP IJ, and MP QSC 8.6 at CP South Hunt, and Indianapolis Terminal Subdivision between MP QS 7.8 at South Hunt, and MP QS 12.5 at CP AN at the west end of Avon Yard, including the aforesaid designated Avon Yard trackage, a distance of 13.5 miles approximately; *and*

(2) CSXT’s Louisville Secondary between MP QSL 4.0, and connection with Indianapolis Belt Subdivision via Dale southeast wye or Dale northeast wye at MP QSL 1.7, a distance of 2.3 miles; thence via either:

(a) CSXT’s Indianapolis Belt Subdivision between MP QIB 5.9 at Dale and MP QIB 3.2 at CP Woods, Crawfordsville Branch between MP QSC 1.6 at CP Woods, and MP QSC 8.6 at South Hunt, and Indianapolis Terminal Subdivision between MP QS 7.8 at South Hunt, and MP QS 12.5 at CP AN at the west end of Avon Yard.

including such Avon Yard trackage as designated by CSXT Avon Yardmaster at time of movement, a distance of 14.6 miles approximately; or

(b) CSXT's Indianapolis Belt Subdivision between MP QIB 5.9 at Dale and MP QIB 2.9 at CP 1, and Indianapolis Terminal Subdivision between MP QS 1.6 at CP1, and MP QS 12.5 at CP AN at the west end of Avon Yard, including the aforesaid designated Avon Yard trackage, a distance of 13.9 miles approximately.

Proposed time schedule for consummation:

49 C.F.R. §1180.6(1)(ii)

The subject transaction is expected to be consummated on or after December 12, 2010.

Purpose sought to be accomplished:

49 C.F.R. §1180.6(a)(iii)

The proposed trackage rights will provide L&I with a route facilitating movement of certain traffic by L&I for the account of INRD. This route will permit the parties to provide the proposed movement while operating efficiently and safely.

States in which applicant's property is located:

49 C.F.R. §1180.6(a)(5)

All of the rail property is located in the States of Kentucky and Indiana.

A map of the rail line :

49 C.F.R. §1180.6(a)(6)

A map of the subject trackage rights is attached hereto as Exhibit A-1. A general system map of L&I is attached hereto as Exhibit A-2. Also, pursuant to 49 C.F.R. §1180.6(a)(6), twenty additional, unbound copies of each of the maps have been provided.

A copy of the relevant agreement:

49 C.F.R. §1180.6(a)(7)

A redacted version of the trackage rights agreement between L&I and CSXT, dated as of October 8, 2010 (the "Agreement") is attached hereto as Exhibit B. Concurrent with the filing of

this Verified Notice of Exemption, L&I is filing with the Board (i) a Motion for Protective Order with respect to the Agreement (the "Motion"), and (ii) an unredacted version of the Agreement, which is being filed "under seal." subject to the Motion.

Labor Protection:

49 C.F.R. §1180.4(g)(i)

L&I anticipates that any employees adversely affected by this transaction will be afforded the level of protection set forth in *Norfolk and Western Ry. Co. -- Trackage Rights -- BN*, 354 I.C.C 605 (1978). *as modified in Mendocino Coast Ry., Inc. - Lease and Operate*, 360 I.C.C 653 (1980).

Environmental and historic reporting requirements:

49 C.F.R. §§ 1105.6, 1105.7, 1105.8

Environmental documentation normally need not be prepared for an acquisition of trackage rights. *See* 49 C.F.R. §1105.6(c)(4). In addition, trackage rights transactions are exempt from the historic report requirements of 49 C.F.R. § 1105.8(a), if such transactions "will not substantially change the level of maintenance of railroad property." *See* 49 C.F.R. §1105.8(b)(3). L&I's exercise of the subject trackage rights will not have a substantial, adverse effect on the maintenance level of the subject line. Accordingly, a historic report is not required for this filing.

Respectfully submitted,



Troy W. Garris
Weiner Brodsky Sidman Kider PC
2904 Corporate Cir.
Flower Mound, TX 75028

Attorneys for:
Louisville & Indiana Railroad Company

Dated: November 12, 2010

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35445

**Louisville & Indiana Railroad Company
-- Trackage Rights Exemption --
CSX Transportation, Inc.**

EXHIBIT A-1

MAP OF TRACKAGE RIGHTS LINE

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35445

**Louisville & Indiana Railroad Company
-- Trackage Rights Exemption --
CSX Transportation, Inc.**

EXHIBIT A-2

MAP OF L&I



Indianapolis

**Avon
Yard**

Edgewood
Southport
Greenwood
Whiteland
Franklin

Amity
Edinburg
Taylorsville

Columbus

Waynesville
Jonesville
Rockford

Seymour

Crothersville
Austin
Scottsburg
Vienna
Underwood
Henryville
Memphis
Speed
Sellersburg

JEFFERSONVILLE

Watson
Clark
Maritime
Centre

Louisville



INDIANA

KENTUCKY

Ohio River

CSXT

CSXT

CSXT

CSXT

CSXT

INSS

INRD

CSXT

CSXT

CSXT-CP

NS

CSXT

NS

CSXT

NS

PAL

CSXT

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35445

**Louisville & Indiana Railroad Company
-- Trackage Rights Exemption --
CSX Transportation, Inc.**

EXHIBIT B

REDACTED TRACKAGE RIGHTS AGREEMENT

TRACKAGE RIGHTS AGREEMENT
Between
CSX TRANSPORTATION, INC.
And
LOUISVILLE & INDIANA RAILROAD COMPANY

THIS AGREEMENT (the "Agreement"), entered into as of this 8th day of October 2010, by and between CSX TRANSPORTATION, INC., a Virginia corporation, (hereinafter referred to as "Owner") and LOUISVILLE & INDIANA RAILROAD COMPANY, an Indiana corporation, (hereinafter referred to as "User"):

WITNESSETH:

WHEREAS, By separate agreement of even date herewith between User and Indiana Rail Road Company ("INRD"), User hauls or will haul traffic of INRD in accounts of INRD between Indianapolis, IN and Greater Louisville, KY ("Haulage Agreement"); and

WHEREAS, By Agreement of March 11, 1994 between Owner's predecessor and User, User conducts interchange with Owner at Owner's Avon Yard near Indianapolis, IN, and has operating rights over lines of Owner to reach Avon Yard ("Interchange Agreement"); and

WHEREAS, In the interest of economy and efficiency of operations, the parties desire that in Owner's Avon Yard User also exchange with INRD carload traffic that User hauls for the account of INRD under the Haulage Agreement; and

WHEREAS, Also for economy and efficiency of operations, the parties desire that on Owner's line of railroad in the vicinity of Dale User and INRD exchange unit trains which User hauls for account of INRD under the Haulage Agreement; and

WHEREAS, Because User's handling of traffic under the Haulage Agreement requires User to haul on lines of railroad of Owner, traffic in which Owner will not participate, the parties desire that User's operations on lines of Owner solely in connection with the Haulage Agreement be covered by a formal Trackage Rights Agreement between Owner and User.

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

ARTICLE 1. GRANT OF TRACKAGE RIGHTS

A. Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate its trains (locomotives, cars or equipment) with its own crews, handling traffic in account of INRD (hereinafter referred to as the "Trackage Rights"), over the following segments of Owner's railroad shown on the plan attached hereto, made a part hereof and marked Exhibit "I" (hereinafter referred to as the "Subject Trackage"):

Louisville Secondary between connection of Owner and User at Owner Milepost (MP) QSL 4.0, and connection of Louisville Secondary with Owner's Indianapolis Terminal Subdivision at CP IU via Meridian Wye at MP QSL 0.0, a distance of 4.0 miles; thence via either:

Indianapolis Terminal Subdivision between MP QI 283.9 at CP IU, and MP QS 12.5 at CP AN at the west end of Avon Yard, including such Avon Yard trackage as designated by CSXT Avon Yardmaster at time of movement, a distance of 12.5 miles approximately; or via

Indianapolis Terminal Subdivision between MP QI 283.9 at CP IU, and MP QS 0.9 at CP IJ, Crawfordsville Branch between MP QSC 0.7 at CP IJ, and MP QSC 8.6 at CP South Hunt, and Indianapolis Terminal Subdivision between MP QS 7.8 at South Hunt, and MP QS 12.5 at CP AN at the west end of Avon Yard, including the aforesaid designated Avon Yard trackage, a distance of 13.5 miles approximately; or

Louisville Secondary between MP QSL 4.0, and connection with Indianapolis Belt Subdivision via Dale southeast wye or Dale northeast wye at MP QSL 1.7, a distance of 2.3 miles; thence via either:

Indianapolis Belt Subdivision between MP QIB 5.9 at Dale and MP QIB 3.2 at CP Woods, Crawfordsville Branch between MP QSC 1.6 at CP Woods, and MP QSC 8.6 at South Hunt, and Indianapolis Terminal Subdivision between MP QS 7.8 at South Hunt, and MP QS 12.5 at CP AN at the west end of Avon Yard, including such Avon Yard trackage as designated by CSXT Avon Yardmaster at time of movement, a distance of 14.6 miles approximately; or

Indianapolis Belt Subdivision between MP QIB 5.9 at Dale and MP QIB 2.9 at CP 1, and Indianapolis Terminal Subdivision between MP QS 1.6 at CP1, and MP QS 12.5 at CP AN at the west end of Avon Yard, including the aforesaid designated Avon Yard trackage, a distance of 13.9 miles approximately.

B. This Agreement grants rights independent of any rights granted pursuant to other agreements between the parties and this Agreement shall not amend any other agreements.

ARTICLE 2. USE OF SUBJECT TRACKAGE

A. User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement. Owner shall retain the exclusive right to grant to other persons rights of any nature in the Subject Trackage, so long as User is able to provide reasonable common carrier service consistent with past practice under this Agreement.

B. Except as may otherwise be provided by this Agreement, User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing cars or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purposes.

C. Owner shall have exclusive control of the management and operation of the Subject

Trackage. Owner shall make every effort to fulfill all of its obligations under this Agreement, including but not limited to those of Management and Operations and Claims as hereinafter specified, however, User shall not have any claim against Owner for liability on account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause, except to the extent of Owner's obligations under Sections 11.1 and 14 of this Agreement.

D. The intent of this Agreement is to maximize flexibility of operation by enabling User to operate to and from Avon Yard by such route as will afford the most expeditious movement at the time of movement. The route selected in each case shall be at the sole discretion of Owner's dispatcher controlling the movement, subject to the qualification of User's crews handling the movement. From time to time during the term hereof, economy and efficiency of operation may dictate the use of other than the aforesaid routes by User, and such alternate routes shall be at the discretion of Owner's dispatcher, subject to User crew qualification, and when used, shall be considered part of the Subject Trackage.

E. User may handle the INRD traffic subject hereof in User's trains also handling traffic being interchanged between Owner and User at Avon Yard as contemplated in the Interchange Agreement.

F. User, when handling unit trains in INRD accounts under the provisions of the Haulage Agreement, shall in the normal course of business exchange said unit trains with INRD on Owner's Louisville Secondary between CP Dale and connection of Owner with User at MP QSL 4.0, unless User is otherwise notified by Owner.

G. There is a two train pair per day limitation on the number of trains moving under the Haulage Agreement that User may operate over the Subject Trackage, and User's trains may (i) contain loaded and empty cars and combinations thereof, and (ii) be operated in both directions on the Subject Trackage. If volume significantly increases over time, the parties will meet to negotiate in good faith an appropriate increase in this limitation.

ARTICLE 3. RESTRICTION ON USE

The Trackage Rights herein granted are granted for the sole purpose of User using same for bridge traffic only between the terminals of Subject Trackage and User shall not perform any local freight service whatsoever at any point located on Subject Trackage. User shall handle only traffic moving in accounts of INRD and only for exchange of such traffic with INRD at Owner's Avon Yard or, at the sole discretion of Owner, for the exchange of unit trains with INRD on Owner's Louisville Secondary in the vicinity of Dale as provided in Article 2F hereof. The immediately foregoing sentence notwithstanding, User may also handle in its trains subject hereof, traffic User interchanges with Owner, such interchange traffic to be governed by the terms and conditions of the Interchange Agreement rather than this Agreement.

ARTICLE 4. MISCELLANEOUS SPECIAL PROVISIONS

A. When operating over the Subject Trackage, User's locomotives and crews shall be

equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

B. Procedures for qualification and occupancy of the Subject Trackage shall be arranged by the local supervision of each carrier. The management and dispatch of the Subject Trackage shall be under the direction and control of Owner's representative or his designee.

ARTICLE 5. COMPENSATION

A. For the use it makes of the Subject Trackage, User shall pay to Owner monthly in arrears, a sum equal to

B. User shall furnish to Owner, in care of Director-Joint Facility Budgets & Administration, CSX Transportation, 500 Water Street, J801, Jacksonville, FL 32202, within ten (10) days after the end of each month, a statement of

C. The Per Car Mile Charge shall be revised each year to reflect any revisions in accordance with Article 6.

ARTICLE 6. REVISION OF CURRENT CHARGE

ARTICLE 7. PAYMENT OF BILLS

A. All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month. The records of each party hereto, insofar as they directly refer 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.

B. Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Article 5, shall include direct labor and material costs, together with the surcharges, overhead percentages and equipment rentals ("Other Expenses") as specified by Owner in accordance with Owner's Schedule of Rates and Surcharges For Billing Railroads for Use of Facilities, Services and Equipment – Publication EB-1. Such invoicing shall be rendered at the time any work is performed by Owner for User.

ARTICLE 8. MAINTENANCE OF SUBJECT TRACKAGE

A. Owner shall maintain, repair and renew the Subject Trackage with its own supervision and labor and at its own expense. Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Subject Trackage or that operations thereover shall not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions shall be kept to a minimum. Furthermore, except as may be otherwise provided in Articles 11 or 14, User shall not by reason of failure or neglect on the part of Owner to maintain, repair or renew the Subject Trackage, have

or make any claim or demand against Owner or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect.

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

ARTICLE 9. CONSTRUCTION AND MAINTENANCE OF NEW CONNECTIONS

A. Existing connections or facilities that are jointly used by the parties hereto shall continue to be maintained, repaired and renewed by and at the expense of the party or parties responsible for such maintenance, repair and renewal under then existing maintenance, repair and renewal arrangements.

B. Any additional connections to the Subject Trackage which may be requested by User shall be subject to the Owner's approval (including design) 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 and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the parties hereto.
- (ii). Owner shall furnish all labor and material and shall construct, maintain, repair and renew at the sole cost and expense of User such portions of the additional tracks located on the right-of-way of Owner which connect the respective lines of the parties hereto. Upon termination of this Agreement, Owner may at its option remove the portion of such trackage and appurtenances as may be located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner shall credit User the then current fair market value for said salvage. If Owner determines that the trackage and appurtenances located on the right-of-way of Owner, and constructed pursuant to this Article 9 B, shall not be removed following termination of this Agreement, Owner will credit User the then current fair market value for said salvage.

ARTICLE 10. ADDITIONS, RETIREMENTS AND ALTERATIONS

A. Owner, from time to time and at its sole cost and expense, may make changes in, additions and betterments to or 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; provided that any such additions, betterments or retirements will not prevent User from providing reasonable common carrier

service over the Subject Trackage consistent with past practice under this Agreement.

B. If the parties agree that changes in or additions and betterments to the Subject Trackage, including changes in communication or signal facilities, are required to accommodate User's operations beyond that required by Owner to accommodate its operations, Owner shall construct the additional or altered facilities and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing and renewing such additional or altered facilities.

ARTICLE 11. MANAGEMENT AND OPERATIONS

A. Each party shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other federal and state and local laws, regulations and rules respecting the operation, condition, inspection and safety of its trains (locomotives, cars and equipment) while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. Each party shall indemnify, protect, defend, and save harmless the other party 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 the other party or its parent corporation, subsidiaries or affiliates, or their respective directors, officers, agents and employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable solely to the failure of the first party to comply with its obligations in this regard.

B. User in its use of the Subject Trackage shall comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains (locomotives and cars,) over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives or cars 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 or cars which require speed restrictions or other movement restrictions below the maximum authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner.

C. User shall make such arrangements with Owner as may be required to have all of its employees who shall operate its trains, locomotives and cars over the Subject Trackage qualified for operation thereover, and User shall pay to Owner, upon receipt of bills therefor, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

D. Owner may conduct an investigation at its option if a User's employee working on Owner's property is alleged to have violated Owner's safety rules, operating rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. To exercise its option, Owner shall schedule the investigation and notify User's local Transportation Officer in the territory thereof, who shall, in turn, arrange to issue proper notice to the User's employee(s) of the investigation. Owner's scheduling of the

investigation must comply with the time limits provided in the applicable agreement on User's railroad, and the investigation shall be conducted in accordance with User's collective bargaining agreement. Owner shall provide its regulations, supplements, and safety rules to User at no cost.

E. If Owner conducts 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 described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

F. In a major offense, such as violation of Rule "G", dishonesty, insubordination, or a serious violation of operating rules, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification shall be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

G. If Owner conducts an investigation, its officer shall conduct the investigation, but an officer of User shall be present to assure compliance with User's labor agreement and practices with respect to investigation procedures. After the investigation is concluded, Owner shall promptly furnish User with two copies of the transcript and a recommendation as to the discipline to be assessed. User's Transportation Officer shall arrange to assess discipline, subject to receipt of Owner's recommended 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.

H. It is understood that Owner shall reimburse User for all payments that User might be required to make or incur as a result of a 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 shall 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.

I. 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 without prejudice or partiality to any party and in such manner as shall afford the most economical and efficient manner of movement of all traffic.

J. In the event that a train of User shall be forced to stop on Subject Trackage, and such stoppage is due to insufficient hours of service remaining among User's crew, or due to mechanical failure of User's equipment, or any other cause not resulting from an accident or derailment, and such train is unable to proceed, or if a train of User fails to maintain the speed required by Owner on the Subject Trackage, or if in emergencies, crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's

train) as may be necessary to haul, help or push such trains, locomotives or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

K. If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner, and User shall reimburse Owner for the cost thereof.

L. In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the parties hereto shall enter into a separate agreement under which User shall bear all cost and expense for any such retained or additional employees provided, 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 retained or additional employees not been provided.

ARTICLE 12. MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars 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.

ARTICLE 13. CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailling, wrecking service or wrecking train service, Owner shall perform or provide such service, including the repair and restoration of roadbed, track and structures. The cost, liability and expense of the foregoing, including without limitation loss of, damage to, or destruction of any property whatsoever and injury to and death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Article 14 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck, shall be promptly delivered to it.

ARTICLE 14. LIABILITY

ARTICLE 15. CLAIMS

ARTICLE 16. INSURANCE

ARTICLE 17. DEFAULT AND TERMINATION

A. In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default (absent a continuing, good faith effort to correct such default) for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days written notice thereof by certified mail, and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage, subject to User obtaining any regulatory approval or exemption that may be required under governing law to discontinue its trackage rights over the Subject Trackage. If User does not promptly file with the STB seeking approval or exemption as applicable of the discontinuance of User's operations over the Subject Trackage or portion thereof, Owner shall be deemed to have been given User's power of attorney to take such action on User's behalf. The exercise of such right by Owner shall not impair its rights under this Agreement or any cause or causes of action it may have against User for the recovery of damages.

B. Notwithstanding any provisions in this Agreement to the contrary, this Agreement shall terminate upon the termination of the Haulage Agreement.

ARTICLE 18. REGULATORY APPROVAL

A. Should this Agreement require the prior approval of the Surface Transportation Board, or its successor (together, the "STB"), User at its own cost and expense shall initiate and thereafter diligently pursue an appropriate application or other filing to secure such approval or exemption as applicable. Owner shall assist and support efforts of User to secure any necessary STB approval or exemption as applicable for this Agreement. Consummation of the transaction contemplated by this Agreement shall be contingent on User's obtaining of such regulatory

approval or exemption.

B. Should the STB at any time during the term of this Agreement impose any labor protective conditions upon the exemption of this Agreement from regulation. User, solely, shall be responsible for any and all payments in satisfaction of such conditions.

ARTICLE 19. ABANDONMENT OF SUBJECT TRACKAGE

A. Notwithstanding the provisions of Article 19, Owner shall have the right, subject to securing any necessary regulatory approval or exemption as applicable, to abandon the Subject Trackage or any portion thereof. Before filing an application or other appropriate filing for regulatory approval or exemption as applicable of such abandonment, Owner shall give User ninety (90) days' advance notice in writing of its intention to do so in order that User may determine whether it desires to purchase the Subject Trackage (or portion thereof) or to discontinue its use thereof.

B. If User desires to purchase the Subject Trackage (or such portion thereof as Owner has notified User will be abandoned), it shall submit an offer of financial assistance under 49 U.S.C. Section 10904. In the event the offer meets the requirements of the aforesaid section and Owner receives more than one such offer, Owner shall exercise its statutory right to negotiate with User rather than with the other offeror(s). Thereafter, the rights and obligations of the parties in respect to User's acquisition of the Subject Trackage or portion thereof shall be governed by applicable provisions of the law.

C. In any one of the circumstances listed below User shall be deemed to have determined that it does not desire to purchase the Subject Trackage or portion thereof and that it desires to discontinue its use thereof:

- (i). User fails to submit an offer of financial assistance to purchase the Subject Trackage or portion thereof within the time prescribed by statute and applicable regulations, or
- (ii). User, having made an offer of financial assistance to purchase the Subject Trackage or portion thereof, but being unable to reach agreement with Owner as to the sale price, fails within the statutory period to request the proper regulatory authority to establish the terms and conditions of the sale, or
- (iii). User, having requested the proper regulatory authority to establish the terms and conditions of sale, withdraws its offer of financial assistance, or
- (iv). User, having requested the proper regulatory authority to establish the terms of the sale, rejects the authority's order establishing said terms or fails to accept said terms within the time prescribed by said order.

In such event User shall promptly file an application, petition or exemption with the proper

regulatory authority to discontinue its operations over the Subject Trackage or portion thereof. If User does not promptly file with the STB seeking approval or exemption as applicable of the discontinuance of User's operations over the Subject Trackage or portion thereof, Owner shall be deemed to have been given User's power of attorney to take such action on User's behalf. In the event of consummation of a discontinuance contemplated under this Section 19.C, this Agreement shall automatically terminate.

D. In the event any application or other appropriate filing filed by Owner is granted but an application filed by User under Subsection C above is denied by the proper regulatory authority, the parties shall cooperate in taking such action as is reasonably necessary to effect a sale of the Subject Trackage.

E. In the event Owner abandons any portion (or all) of the Subject Trackage or portion thereof under circumstances which (because of changes in the law or otherwise) are not subject to handling under the procedures outlined above, the parties shall cooperate and take such action as is necessary to assure that User either promptly terminates its operations over the segment to be abandoned or purchases said segment at a price consistent with the principles of 49 U.S.C. Section 10904 as interpreted on the date of this Agreement.

F. In the event Owner's application or other filing for authority or exemption to abandon is denied, User shall withdraw any application it has filed under Subsection C above.

G. Except as otherwise expressly agreed in writing, in the event any actions taken by the parties under this Article 18 result in an obligation imposed by any competent authority on either or both parties hereto to protect the interests of affected employees, the responsibility for bearing the cost thereof shall be borne by the party which is the employer of the affected employee or employees, notwithstanding the manner in which said cost may be apportioned in any order or decision imposing the protection.

ARTICLE 20. TERM

A. This Agreement shall be effective the day and year first above written or, in the event STB approval is required, on the effective date such approval is secured, and shall remain in full force and effect for a period of twenty-five (25) years, and thereafter until terminated by either party upon sixty (60) days advance written notice to the other party of its intent to terminate this Agreement, subject to User obtaining any regulatory approval or exemption that may be required under governing law to discontinue its trackage rights over the Subject Trackage, which User will promptly and diligently seek to obtain.

B. Termination of this Agreement shall not relieve or release either party hereto from any obligation 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.

ARTICLE 21. FORCE MAJEURE

Owner shall not be responsible to User for delays or failure to perform under this

Agreement if such delays or failure to perform are covered by circumstances beyond its control, including, but not limited to, Acts of God, floods, storms, earthquakes, hurricanes, tornadoes, or other severe weather or climatic conditions, acts of public enemy, war, blockade, insurrection, vandalism or sabotage, fire, accident, wreck, derailment, washout or explosion, strike, lockout or labor disputes experienced by the parties hereto, embargoes or AAR service orders: Federal Railroad Administration (FRA) orders, or governmental laws, orders or regulations.

ARTICLE 22. ARBITRATION

Any dispute arising between the parties with respect to this Agreement that is not resolved within thirty (30) days of the date of the written notice of the dispute may be submitted by either party for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("AAA Rules"), as modified to the extent necessary to conform with the requirements of this Article 22. The parties shall attempt to agree upon an arbitrator knowledgeable in railroad commercial agreements. If the parties are unable to agree on an arbitrator within thirty (30) days after submission of the dispute to the AAA, either party may ask AAA to proceed with the arbitrator selection process; provided, the arbitrator selected shall have experience in the railroad industry. The decision of the arbitrator shall be final and conclusive upon the parties hereto. Each party to the arbitration shall pay the compensations, costs, fees and expenses of its own witnesses, experts and counsel. The compensation, costs and expense of the arbitrator, if any, shall be borne equally by the parties hereto. The arbitrator shall not have the power to award consequential or punitive damages or to determine violations of criminal or antitrust laws. The arbitrator shall have the discretion to rule on dispositive motions. Pending the award of the arbitrator, there shall be no interruption in the transaction of business under this Agreement, and all payments in respect thereto, shall be made in the same manner as prior to the arising of the dispute until the matter in dispute shall have been fully determined by arbitration, and thereupon such payment or restitution shall be made as required by the decision or award of the arbitrator.

ARTICLE 23. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns, by merger or otherwise, of the parties hereto. Neither party hereto shall transfer or assign this Agreement, or any of its rights, interests or obligations hereunder, to any person, firm, or corporation without obtaining the prior written consent of the other party to this Agreement.

ARTICLE 24. NOTICE

Any notice required or permitted to be given by one party to the other under this Agreement shall be deemed given on the date following the date sent by overnight express courier, or by such other means as the parties may agree, and shall be addressed as follows:

If to Owner:	Director Passenger & Joint Facility Agreements CSX Transportation, Inc. 500 Water Street, J315 Jacksonville, FL 32202
--------------	--

If to User: Louisville & Indiana Railroad Company
 Attention: President
 500 Willinger Lane
 Jeffersonville, IN 47130

Either party may provide changes in the above addresses to the other party by personal service or U.S. mail.

ARTICLE 25. GENERAL PROVISIONS

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

B. This Agreement contains the entire understanding of the parties hereto and supersedes any and all oral understandings between the parties.

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

D. 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.

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

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

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

H. Neither party hereto may disclose the provisions of this Agreement to a third party, excluding a parent, subsidiary or affiliate company, without the written consent of the other party, except as otherwise required by law, regulation or ruling.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Witness for Owner:

[Signature]

CSX TRANSPORTATION, INC.

By: [Signature]

Name: VIRGINIA Beck

Title: Director Passenger & Joint Facility Cor

Witness for User:

[Signature]

LOUISVILLE & INDIANA RAILROAD COMPANY

By: [Signature]

Name: John N. Lee

Title: [Signature]

EXHIBIT I – PLAN OF SUBJECT TRACKAGE

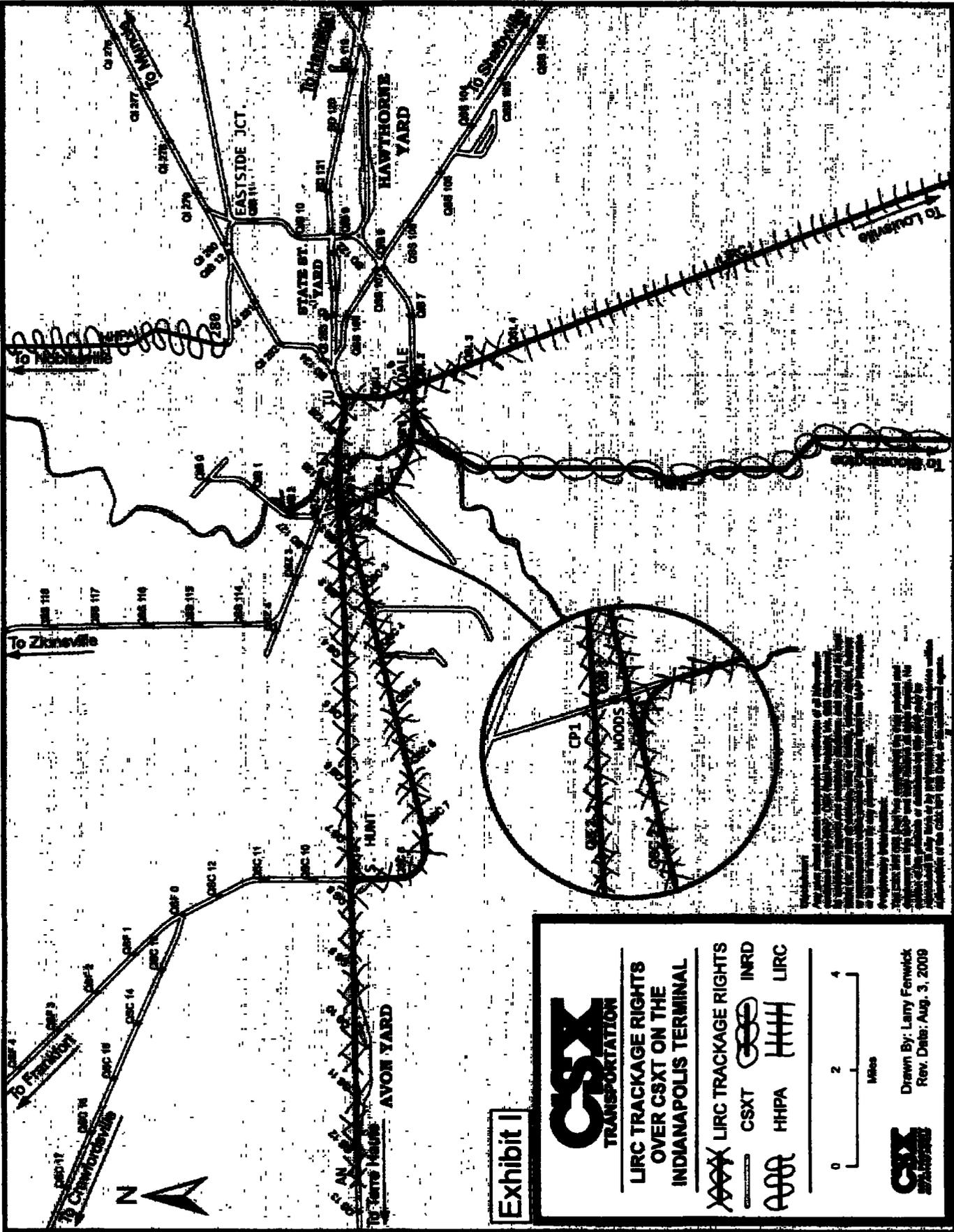
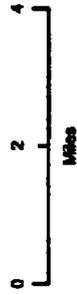


Exhibit I



LIRC TRACKAGE RIGHTS
OVER CSXT ON THE
INDIANAPOLIS TERMINAL

- XXX LIRC TRACKAGE RIGHTS
- CSXT INRD
- HHH HHFA LIRC



Drawn By: Lamy Fenwick
Rev. Date: Aug. 3, 2009



This map is not a contract. It is a representation of the current status of the tracks and trackage rights as of the date of the map. It is subject to change without notice. The user of this map is advised to verify the information shown on this map with the appropriate authorities. The user of this map is advised to verify the information shown on this map with the appropriate authorities. The user of this map is advised to verify the information shown on this map with the appropriate authorities.

EXHIBIT II

GENERAL RELEASE AND INDEMNIFICATION

WHEREAS, pursuant to Article 9.B(ii) of the Trackage Rights Agreement, dated October __, 2010 ("Agreement"), by and between CSX Transportation, Inc. ("Owner") and Louisville & Indiana Railroad Company ("User"), User has requested Owner to perform certain work for User's benefit ("Work"); and

WHEREAS, Owner desires to contract with _____ ("Contractor") to perform the Work, and Contractor has agreed to perform such Work; and

WHEREAS, as a condition to Contractor's being engaged to perform the Work, Contractor is entering into this General Release and Indemnification.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

Contractor, intending to be legally bound, hereby assumes any and all risk and liability for, and shall protect, indemnify and save harmless User and User's parents, subsidiaries, and affiliates, and each of their respective directors, officers, owners, affiliates, employees, lenders, agents, heirs, executors, administrators, successors and assigns (altogether, "Released Parties") from and against, any and all causes of action, claims, suits, demands, damages, losses, costs, loss of services, expenses (including reasonable attorneys' fees), compensation, consequential damages, personal injuries, or death (altogether, "Losses"), which may be brought, suffered or sustained by any person in way connected with, arising out of, or related to, the performance by Contractor of any portion of the Work, or in any way incidental or appertaining thereto, or while upon, about or in the vicinity of the tracks, trains, facilities, property or premises of Owner or User in connection therewith, and whether said Losses result in whole or in part from the active or passive negligence of any of the Released Parties. Contractor hereby, for itself and any and all of its parents, subsidiaries, and affiliates, and each of their respective directors, officers, owners, employees, lenders, agents, heirs, executors, administrators, successors, assigns, and other persons claiming under, through or on account of Contractor (altogether, "Covered Persons"), remises, releases and forever discharges each of the Released Parties, from any and all Losses, which Contractor or any of the other Covered Persons have or can or may have for any reason whatsoever.

IN WITNESS WHEREOF, this General Release and Indemnification has been executed
this ____ day of _____, 2010.

RELEASEE/INDEMNITEE

LOUISVILLE & INDIANA RAILROAD

By: _____

Its: _____

CONTRACTOR

By: _____

Its: _____

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35445

**Louisville & Indiana Railroad Company
-- Trackage Rights Exemption --
CSX Transportation, Inc.**

CAPTION SUMMARY

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Finance Docket No. 35445

**Louisville & Indiana Railroad Company
-- Trackage Rights Exemption --
CSX Transportation, Inc.**

VERIFIED NOTICE OF EXEMPTION

PURSUANT TO 49 C.F.R. § 1180.2(d)(7)

CSX Transportation, Inc. has agreed to grant non-exclusive, overhead trackage rights to Louisville & Indiana Railroad Company for trains including traffic in the account of Indiana Railroad Company as follows:

- (1) CSXT's Louisville Secondary between connection of CSXT and L&I at CSXT Milepost (MP) QSL 4.0, and connection of Louisville Secondary with CSXT's Indianapolis Terminal Subdivision at CP IU via Meridian Wye at MP QSL 0.0, a distance of 4.0 miles; thence via either:
 - (a) CSXT's Indianapolis Terminal Subdivision between MP QI 283.9 at CP IU, and MP QS 12.5 at CP AN at the west end of Avon Yard, including such Avon Yard trackage as designated by the CSXT Avon Yardmaster at the time of movement, a distance of 12.5 miles approximately; or via
 - (b) CSXT's Indianapolis Terminal Subdivision between MP QI 283.9 at CP IU, and MP QS 0.9 at CP IJ, Crawfordsville Branch between MP QSC 0.7 at CP IJ, and MP QSC 8.6 at CP South Hunt, and Indianapolis Terminal Subdivision between MP QS 7.8 at South Hunt, and MP QS 12.5 at CP AN at the west end of Avon Yard, including the aforesaid designated Avon Yard trackage, a distance of 13.5 miles approximately; and

(2) CSXT's Louisville Secondary between MP QSL 4.0. and connection with Indianapolis Belt Subdivision via Dale southeast wye or Dale northeast wye at MP QSL 1.7. a distance of 2.3 miles; thence via either:

(a) CSXT's Indianapolis Belt Subdivision between MP QIB 5.9 at Dale and MP QIB 3.2 at CP Woods. Crawfordsville Branch between MP QSC 1.6 at CP Woods, and MP QSC 8.6 at South Hunt, and Indianapolis Terminal Subdivision between MP QS 7.8 at South Hunt, and MP QS 12.5 at CP AN at the west end of Avon Yard, including such Avon Yard trackage as designated by CSXT Avon Yardmaster at time of movement, a distance of 14.6 miles approximately; or

(b) CSXT's Indianapolis Belt Subdivision between MP QIB 5.9 at Dale and MP QIB 2.9 at CP 1, and Indianapolis Terminal Subdivision between MP QS 1.6 at CP1, and MP QS 12.5 at CP AN at the west end of Avon Yard, including the aforesaid designated Avon Yard trackage, a distance of 13.9 miles approximately.

The subject transaction is expected to be consummated on or after December 12, 2010.

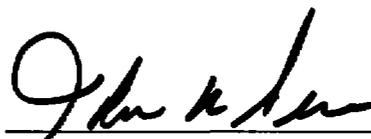
This notice is filed under § 1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

Dated:

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

VERIFICATION

I, John K. Secor, certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to cause this Verified Notice of Exemption to be filed.



John K. Secor, President
Louisville & Indiana Railroad Company

Dated: November 12, 2010