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ARTICLE 18. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To NYC: (To be furnished)

To PRR: (To be furnished)

To CSXT: Assistant Vice President-Joint Facilities  
CSX Transportation, Inc. J200  
500 Water Street  
Jacksonville, FL 32202

To NSR: Vice President Transportation  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

ARTICLE 19. 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, car 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.

#### ARTICLE 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

IN WITNESS WHEREOF, the parties hereto have caused this



Agreement to be duly executed as of the day and year first above written.

WITNESS: NEW YORK CENTRAL LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title \_\_\_\_\_

WITNESS: CSX TRANSPORTATION, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Title \_\_\_\_\_

WITNESS: NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_  
By: \_\_\_\_\_  
Vice President Transportation and  
Mechanical

WITNESS: PENNSYLVANIA LINES LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title \_\_\_\_\_

a:CRIL.4 (June 8, 1997)

CRESTLINE, OHIO  
INTERLOCKING AGREEMENT

THIS AGREEMENT, entered into as of this \_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by and among NEW YORK CENTRAL LLC (hereinafter referred to as "NYC"), CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT"), PENNSYLVANIA LINES LLC (hereinafter referred to as "PRR"), and NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned

subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement;

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at Crestline, Ohio under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing and

interlocking;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1. DEFINITION OF INTERLOCKING AND AAR UNITS

- (a) Whenever the word Ainterlocking@ is hereinafter used, it shall be held and taken to include but not be limited to the field coding equipment, signals, housings, appliances, highway traffic control devices and appurtenances necessary for operation of the interlocking, substantially as shown on the plan to be marked Exhibit "A". Said Exhibit "A" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (b) The limits of the interlocking shall, for the purpose of this Agreement, be within and include the home signals along the tracks of the parties to be shown on Exhibit "A". Units will be assigned in accordance with the Signal and Interlocking Unit Distribution to be effective the same date as the effective date of this Agreement and marked Exhibit "C". Said Exhibit "C" will be prepared and processed for approval by the parties and made a part hereof by supplement to this

Agreement.

- (c) The term "AAR Units" used herein refers to the units stated in the Table of Signal and Interlocking Units of the Signal Section, Association of American Railroads, as issued from time to time. At the time of this Agreement, said table dated 1993 shall apply, copy attached hereto, marked Exhibit "B" and made a part hereof.

## ARTICLE 2. OWNERSHIP

- (a) The parties acknowledge that (i) pursuant to the NYC Operating Agreement NYC is assigning to CSXT all of its rights and obligations to operate NYC's assets including the interlocking control that is the subject of this Agreement and thus CSXT shall have all of the rights and obligations conferred by or imposed under this Agreement during the term of the CSXT Operating Agreement and (ii) pursuant to the NSR Operating Agreement, PRR is assigning to NSR all of its rights and obligations to operate PRR's assets, including the interlocking, except as otherwise provided herein, that is the subject of this Agreement and thus NSR shall have all of the rights and obligations conferred by or imposed under this Agreement during the term of the NSR Operating



Agreement.

- (b) Ownership of the existing railroad crossing diamonds within the interlocking limits shall be vested 50% in NYC and 50% in PRR and shall be defined on the plan to be marked Exhibit "D". Said Exhibit "D" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement. Ownership of the existing connecting trackage, including turnouts, to be shown on Exhibit "D" will be vested 100% in the party upon whose right-of-way such trackage is located thereon.
- (c) Ownership of said interlocking shall be vested in each party in accordance with the AAR Units to be indicated on Exhibit "C".
- (d) Any taxes or other charges assessed against said ownership shall be borne by CSXT and NSR in proportion to said ownership as provided in subsections (a) and (b) above. The ownership of facilities installed by or for NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) at their sole expense shall be vested in PRR and NYC, respectively, and NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) shall bear any taxes or other charges as may be assessed

against said ownership.

ARTICLE 3. MAINTENANCE AND OPERATION OF CROSSING(S), CONNECTION(S)  
AND INTERLOCKING

(a) Maintenance, inspection, repair and renewal of the rail crossing diamonds and/or connecting trackage within the interlocking limits shall be performed as follows:

(i) CSXT shall maintain, inspect, repair and renew the existing crossing diamonds to be shown on Exhibit "D".

(ii) NSR and CSXT shall maintain, inspect, repair and renew its respective trackage under their control in accordance with the respective NSR or CSXT Operating Agreement including existing connecting trackage, and road crossing surfaces, if any, located on the respective right-of-way within the limits of the interlocking to be shown on Exhibit "D".

(b) Signal maintenance, inspection, repair and renewal of the interlocking shall be under the sole charge of CSXT, and it shall employ competent persons for such purposes. NSR and

CSXT shall at their sole cost and expense maintain all signal facilities and appurtenances in and along the tracks it operates outside of the limits of said interlocking as may be necessary to accommodate said interlocking.

- (c) Operation and control of the interlocking shall be under the sole charge and control of CSXT. Operation and control of the interlocking shall be conducted in a manner as to afford each of the parties the most economical and efficient movement of its traffic through the facility.
- (d) NSR and CSXT shall, at their sole cost and expense, perform any and all track work on PRR lines (in the case of NSR) and NYC lines (in the case of CSXT) located outside of the interlocking limits, and make such changes in such tracks, and install, maintain and renew insulated joints and other appurtenances located in such tracks as may be required for the interlocking. NSR and CSXT will keep the premises and tracks operated by it free from interference and obstructions which may in any way affect the proper functioning of said interlocking.

ARTICLE 4. DIVISION OF CROSSING(S), CONNECTION(S) AND INTERLOCKING MAINTENANCE COST



(a) The expense of maintaining, inspecting, repairing and renewing the existing crossing diamonds and/or crossing turnouts shall be allocated as follows:

(i) The cost and expense of maintenance, inspection, repair and renewal of the existing crossing diamonds to be shown on Exhibit "D" shall be equally divided between NSR and CSXT.

(ii) The cost and expense of maintenance, inspection, repair and renewal of the existing connecting trackage, turnouts and road crossing surfaces, to be shown on Exhibit "D" within the interlocking limits, will be at the sole cost and expense of CSXT, if such trackage is located on NYC's right-of-way and NSR, if such trackage is located on PRR's right-of-way.

(b) The expense of maintaining, inspecting, repairing, renewing and operating the interlocking, including cost of electrical current, shall be apportioned to each party in accordance with AAR Unit values as shown on Exhibit "B" and apportioned between NSR and CSXT as will be indicated on Exhibit "C".

(c) In the event future changes are made in the interlocking, Exhibit "C" shall be revised following each such change in accordance with the principles set forth herein. After approval by the respective signal officers of NSR and CSXT, said revised Exhibit "C" shall be substituted for the then existing Exhibit "C" and shall be applicable from the effective date shown thereon.

#### ARTICLE 5. COMMUNICATION CHANGES

NSR and CSXT shall, at their sole cost and expense, make such changes in and adjustments to PRR (in the case of NSR) and NYC (in the case of CSXT) communication facilities as may be required for the respective operations of the interlocking, and hereafter maintain said facilities at its sole expense.

#### ARTICLE 6. CHANGES TO INTERLOCKING

CSXT, with the consent of NYC, and NSR, with the consent of PRR, shall have the right to require track changes to tracks located within the interlocking limits and changes in the interlocking that do not impair the interlocking's efficiency, provided that such changes shall be made in accordance with plans

which shall have been approved by the respective officers of NSR and CSXT. Such interlocking changes made in any existing track, or made to cover any future track or tracks within the interlocking limits, or which may be required by reason of any changes made in the standard appliances or practices of NSR or CSXT, or which may be ordered by a lawfully constituted public authority shall be made by CSXT. NSR shall make changes to tracks owned by PRR and CSXT shall make changes to track owned by NYC outside the interlocking limits provided such changes do not affect or impair the interlocking's efficiency. The cost of any track and interlocking changes shall be borne by the party requesting such changes or as agreed to by the parties. In those cases where the changes are mandated by any legally constituted public authority having jurisdiction over said interlocking, the cost of such changes shall be borne by the party or parties for whose benefit such changes are made.

ARTICLE 7. ELIMINATION OF RAIL CROSSING(S) AND/OR CONNECTION(S)

Subject to Article VIII of the CSXT Operating Agreement and the NSR Operating Agreement, NSR or CSXT shall have the right to retire and eliminate existing or future crossings and/or connections of PRR track or tracks with the track or tracks of NYC within the limits of the interlocking, and CSXT shall have the right to retire and eliminate existing or future crossings and/or

connections of NYC track or tracks with the track or tracks of PRR within the limits of the interlocking, and the cost and expense to eliminate such crossing or crossings shall be divided as follows:

- (a) Costs and expenses to effect a partial withdrawal shall be apportioned as provided in Article 6.
- (b) All costs, relating to removal of track, track appurtenances, signals and related facilities necessary to effect abandonment or complete withdrawal of either party from further use of this joint facility, shall be at the sole expense of the sponsoring party, and the salvage value derived therefrom shall be credited to NSR and CSXT in proportion to the ownership of the facility by PRR and NYC, respectively, subject to Article VIII of the NSR Operating Agreement and the CSXT Operating Agreement.
- (c) Costs and expenses necessary to rearrange the remaining facilities and provide necessary additional facilities for the continued operation of the remaining party shall be at the sole expense of the withdrawing party.

ARTICLE 8. TEMPORARY MANUAL PROTECTION

In the event it shall become necessary to assign forces at the herein referred to crossing(s) for the protection of train movements while the interlocking may be temporarily out of service, CSXT shall do so, and the cost and expense of said forces and supplies furnished to them shall be divided and paid in the aforesaid division of maintenance cost. However, in case it is necessary to provide manual protection as a result of damage caused by any party hereto or at the request of any party for its sole benefit, such party shall exclusively bear the entire cost of the manual protection.

ARTICLE 9. ACCOUNTING

- (a) CSXT and NSR shall keep accurate accounts of all their costs incurred in installing, maintaining, repairing, renewing and operating the crossing(s) and the interlocking. Such records shall be open at all reasonable times for audit and inspection for a period of three (3) years from date of billing.
- (b) Either party may, at any time subsequent to the execution of this Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintaining the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.



ARTICLE 10. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

ARTICLE 11. LIABILITY

- (a) For the purposes of this Article it is agreed that:
  - (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and

removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.

(ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.

(iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.

(b) Except as provided for in Article 8 (c) below, the responsibility and liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:

- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
- (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss,



unless the Loss was caused solely by one party. In that event, the party causing the Loss is solely responsible.

(iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.

(iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.

- (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the judgment and costs and expense incurred in such suit according to its liability assumed hereunder.
- (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' 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; then 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.
- (c) Article 12(b) shall apply only to the amount of Loss resulting

from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c)(1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c)(2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c)(1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or

negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.

- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of druge or alcohol or by the intentional and criminal misconduct of any such employee and Article 12(b) and (c) shall not apply to any such Loss.

## ARTICLE 12. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability,

cost, and expense therefor under the provisions of this Agreement.

- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.



- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds \$35,000.00.
- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations

hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 13. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 14. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating



Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.

- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at Crestline, Ohio, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

#### ARTICLE 15. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on

account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

ARTICLE 16. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

ARTICLE 17. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To NYC: (To be furnished)

To PRR: (To be furnished)

To CSXT: Assistant Vice President-Joint Facilities  
CSX Transportation, Inc. J200  
500 Water Street  
Jacksonville, FL 32202

To NSR: Vice President Transportation  
Norfolk Southern Railway Company  
Three Commercial Place

ARTICLE 18. 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, car 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.

ARTICLE 19. INDEMNITY COVERAGE

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

WITNESS: NEW YORK CENTRAL LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title \_\_\_\_\_

WITNESS: CSX TRANSPORTATION, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Title \_\_\_\_\_

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_

By: \_\_\_\_\_  
Vice President Transportation and  
Mechanical

WITNESS:

PENNSYLVANIA LINES LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Title

a:CRIL.3 (June 8, 1997)



EXHIBIT N

I N T E R L O C K I N G   A G R E E M E N T

THIS AGREEMENT, entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between PENNSYLVANIA LINES LLC (hereinafter referred to as "PRR"), NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR"), NEW YORK CENTRAL LLC (hereinafter referred to as "NYC"), and CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement; and

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at Buckeye in Columbus, Ohio under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing and interlocking;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1. DEFINITION OF INTERLOCKING AND AAR UNITS

- (a) Whenever the word "interlocking" is hereinafter used, it shall be held and taken to include but not be limited to the field coding equipment,

signals, housings, appliances, highway traffic control devices and appurtenances necessary for operation of the interlocking, substantially as shown on the plan to be marked Exhibit "A". Said Exhibit "A" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.

- (b) The limits of the interlocking shall, for the purpose of this Agreement, be within and include the home signals along the tracks of the parties to be shown on Exhibit "A". Units will be assigned in accordance with the Signal and Interlocking Unit Distribution to be effective the same date as the effective date of this Agreement and marked Exhibit "C". Said Exhibit "C" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (c) The term "AAR Units" used herein refers to the units stated in the Table of Signal and Interlocking Units of the Signal Section, Association of American Railroads, as issued from time to time. At the time of this Agreement, said table dated 1993 shall apply, copy attached hereto, marked Exhibit "B" and made a part hereof.

## ARTICLE 2. OWNERSHIP

- (a) Ownership of the railroad crossing frog(s) and/or turnouts within the interlocking limits shall be vested as follows and shall be defined on the plan to be marked Exhibit "D". Said Exhibit "D" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
  - (i) Ownership of the existing crossing diamonds to be shown on Exhibit "D" will be vested 50% in NYC and 50% in PRR.
  - (ii) Ownership of the existing connecting trackage, including turnouts, to be shown on Exhibit "D", will be vested 100% in the party upon whose right-of-way such trackage is located thereon.
- (b) Ownership of said interlocking shall be vested in each party in accordance with the AAR Units to be indicated on Exhibit "C".
- (c) Any taxes or other charges assessed against said ownership shall be borne by CSXT and NSR in proportion to NYC's ownership (in the case of CSXT) and PRR's ownership (in the case of NSR). The ownership of facilities installed by or for either NSR or CSXT at its sole expense shall be vested in PRR and NYC, respectively, said party and NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) shall bear any taxes or other charges as may be assessed against said ownership.

## ARTICLE 3. MAINTENANCE AND OPERATION OF CROSSING(S) AND INTERLOCKING

- (a) Maintenance, inspection, repair and renewal of the rail crossing frog(s) and/or turnouts within the interlocking limits shall be performed as follows:



- (i) NSR shall maintain, inspect, repair and renew the existing crossing diamonds, to be shown on Exhibit "D".
- (ii) Each of NSR and CSXT shall maintain, inspect, repair and renew the respective trackage, including road crossing surfaces, located on the right-of-way of PRR and NYC, respectively, within the limits of the interlocking, to be shown on Exhibit "D".
- (b) Signal maintenance, repair, and renewal and operation of the interlocking shall be under the sole charge and control of NSR, and it shall employ competent persons for such purposes. Each of NSR and CSXT shall at its sole cost and expense maintain all signal facilities and appurtenances in and along the tracks of PRR and NYC, respectively, outside of the limits of said interlocking as may be necessary to accommodate said interlocking.
- (c) Operation and control of the interlocking shall be conducted in a manner as to afford each of the parties the most economical and efficient movement of its traffic through the facility.

ARTICLE 4. DIVISION OF CROSSING(S) AND INTERLOCKING MAINTENANCE COST

- (a) The expense of maintaining, repairing and renewing the crossing frog(s) and/or crossing turnouts shall be allocated as follows:
  - (i) The cost and expense of maintenance, inspection, repair and renewal of the existing crossing diamonds, to be shown on Exhibit "D" shall be equally divided between NSR and CSXT.
  - (ii) The cost and expense of maintenance, inspection, repair and renewal of the existing connection tracks, turnouts, and road crossing surfaces, to be shown on Exhibit "D", within the the interlocking limits, will be at the sole cost and expense of NSR, in the case of a crossover, connecting trackage and turnouts owned by PRR or located on PRR right-of-way, and of CSXT, in the case of a crossover, connecting trackage and turnouts owned by NYC or located on NYC right-of-way.
- (b) The expense of maintaining, repairing, renewing and operating the interlocking, including cost of electrical current, shall be based on unit values as shown on Exhibit "B" and apportioned between NSR and CSXT as will be indicated on Exhibit "C".
- (c) In the event future changes are made in the interlocking, Exhibit "C" shall be revised following each such change in accordance with the principles set forth herein. After approval by the respective signal officers of NSR and CSXT, said revised Exhibit "C" shall be substituted for the then existing Exhibit "C" and shall be applicable from the effective date shown thereon.

#### ARTICLE 5. MAINTENANCE OF TRACKS

Each of NSR and CSXT shall, at its sole cost and expense, perform any and all track work on PRR lines (in the case of NSR) and NYC lines (in the case of CSXT) located outside of the interlocking limits, and make such changes in such tracks, and install, maintain and renew insulated joints and other appurtenances located in such tracks as may be required for the interlocking. Each of NSR and CSXT will keep the premises and the tracks free from interference and obstructions which may in any way affect the proper functioning of said interlocking.

#### ARTICLE 6. COMMUNICATION CHANGES

NSR and CSXT shall, at its sole cost and expense, make such changes in and adjustments to PRR (in the case of NSR) and NYC (in the case of CSXT) communication facilities as may be required for its operations and to accommodate the interlocking, and hereafter maintain said facilities at its sole expense.

#### ARTICLE 7. CHANGES TO INTERLOCKING

CSXT and NSR shall have the right to require track changes to tracks located within the interlocking limits and changes in the interlocking that do not impair the interlocking's efficiency, provided that such changes shall be made in accordance with plans which shall have been approved by the respective officers of NSR and CSXT. Any interlocking changes arising from changes made in any existing track, or made to cover any future track or tracks NSR and CSXT may have the right to construct within the interlocking limits, or which may be required by reason of any changes made in the standard appliances or practices of NSR or CSXT, or which may be ordered by a lawfully constituted public authority shall be made by NSR. Unless otherwise agreed to by the parties NSR shall make changes to track owned by PRR and CSXT shall make changes to track owned by NYC. The cost of any track and interlocking changes shall be borne by the party requesting such changes or as agreed to by the parties. In those cases where the changes are mandated by any legally constituted public authority having jurisdiction over said interlocking, the cost of such changes shall be borne by the party or parties for whose benefit such changes are made.

#### ARTICLE 8. ELIMINATION OF RAIL CROSSING

Subject to Article VIII of the CSXT Operating Agreement and the NSR Operating Agreement, NSR shall have the right to retire and eliminate existing or future crossings and/or connections of PRR track or tracks with the track or tracks of NYC within the limits of the interlocking and CSXT shall have the right to retire and eliminate existing or future crossings and/or connections of NYC track or tracks with the track or tracks of PRR within the limits of the interlocking, and the cost and expense to eliminate such crossing or crossings shall be divided as follows:

- (a) Costs and expenses to effect a partial withdrawal shall be apportioned as provided in Article 7.
- (b) All costs, relating to removal of track, track appurtenances, signals and

related facilities necessary to effect abandonment or complete withdrawal of either party from further use of this joint facility, shall be at the sole expense of the sponsoring party, and the salvage value derived therefrom shall be credited to NSR and CSXT in proportion to the ownership of the facility by PRR and NYC, respectively, subject to Article VIII of the NSR Operating Agreement and the CSXT Operating Agreement.

- (c) Costs and expenses necessary to rearrange the remaining facilities and provide necessary additional facilities for the continued operation of the remaining party shall be at the sole expense of the withdrawing party.

#### ARTICLE 9. TEMPORARY MANUAL PROTECTION

In the event it shall become necessary to assign forces at the herein referred to crossing(s) for the protection of train movements while the interlocking may be temporarily out of service, NSR shall do so, and the cost and expense of said forces and supplies furnished to them shall be divided and paid in the aforesaid division of maintenance cost. However, in case it is necessary to provide manual protection as a result of damage caused by any party hereto or at the request of any party for its sole benefit, such party shall exclusively bear the entire cost of the manual protection.

#### ARTICLE 10. ACCOUNTING

- (a) CSXT and NSR shall keep accurate accounts of all their costs incurred in installing, maintaining, repairing, renewing and operating the crossing(s) and the interlocking. Such records shall be open at all reasonable times for audit and inspection for a period of three (3) years from date of billing.
- (b) Either party may, at any time subsequent to the execution of this Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintaining the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.

#### ARTICLE 11. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

ARTICLE 12. LIABILITY

(a) For the purposes of this Article it is agreed that:

- (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.
- (ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.
- (iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.

(b) Except as provided for in Article 8 (c) below, the responsibility and liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:

- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
- (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party



causing the Loss is solely responsible.

- (iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
  - (iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
  - (v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.
  - (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the judgment and costs and expense incurred in such suit according to its liability assumed hereunder.
  - (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' 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; then 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.
- (c) Article 12(b) shall apply only to the amount of Loss resulting from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a



comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c)(1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c)(2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c)(1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.

- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of drugs or alcohol or by the intentional and criminal misconduct of any such employee and Article 12(b) and (c) shall not apply to any such Loss.

#### ARTICLE 13. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.
- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.

- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.
- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds \$35,000.00.
- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 14. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 15. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.
- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at Buckeye in Columbus, Ohio, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

ARTICLE 16. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

ARTICLE 17. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

ARTICLE 18. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To PRR:        To be furnished

To NYC:        To be furnished

To CSXT:       Assistant Vice President-Joint Facilities  
                 CSX Transportation, Inc. J200  
                 500 Water Street  
                 Jacksonville, FL 32202

To NSR:        Vice President Transportation  
                 Norfolk Southern Railway Company  
                 Three Commercial Place  
                 Norfolk, VA 23510-2191

ARTICLE 19. 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, car 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.

ARTICLE 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

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

WITNESS: PENNSYLVANIA LINES LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS: NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS: CSX TRANSPORTATION, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS: NEW YORK CENTRAL LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title



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Part 1.1.2

Recommended Table of Signal and Interlocking Units  
 and Interpretations  
 Revised 1993 (6 Pages) (SM1-3-2)

<u>Item No.</u>	<u>Description</u>	<u>Relative Unit Value</u>
<b>A. <u>Wayside Signal Devices</u></b>		
1.	Signal inoperative arm or light.....	1
2.	Signal complete with mast, blade or light.inoperative .	2
3.	*Signal, three aspects, semaphore or light.....	6
4.	*Signal, two aspects, semaphore or light.....	4
5.	*Signal, one aspect, semaphore or light.....	2
6.	*Signal, each additional aspect.....	2
7.	*Signal, mechanical operated, manual block, train order, or railroad grade crossing signal, two or three aspects.....	4
8.	*Smashboards, mechanical or power.....	4
9.	*Marker light, operated.....	2
10.	*Grade signal, semaphore or light.....	2
11.	Railroad grade crossing gate, per gate	
	(a) Mechanical.....	4
	(b) Power.....	6
<b>B. <u>Track, Switch and Derail Devices</u></b>		
1.	Switch with two points or derail	
	(a) Mechanical.....	4
	(b) Power.....	8
2.	Single slip switch with two points	
	(a) Mechanical.....	4
	(b) Power.....	8
3.	Double slip switch with four points	
	(a) Mechanical.....	8
	(b) Power.....	12
4.	Movable point frog with two points	
	(a) Mechanical.....	
	(b) Power.....	
5.	Movable point frog with four points	
	(a) Mechanical.....	8
	(b) Power.....	16
6.	Derail, pipe connected to switch and operated thereby..	4
7.	Spring switch	
	(a) Buffer.....	1
	(b) Mechanical facing point lock.....	4
8.	Switch and lock movement, mechanical.....	4
9.	Switch circuit controller, signal or highway grade crossing warning device.....	1

\* Each semaphore arm, light signal, or marker to be counted separately.

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1991

10. Snow removal device, controlled or automatic,  
per pair of switch points.....2
11. Switch point helper
  - (a) Mechanical.....1
  - (b) Power.....4

C. Movable Bridge Devices

1. Facing point lock or movable bridge lock or rail lock
  - (a) Mechanical.....2
  - (b) Power.....6
2. Facing point lock, or movable bridge lock or rail  
lock operated with another unit.....1
3. Movable bridge circuit controller or pipe coupler
  - (a) Mechanical.....4
  - (b) Power.....8
4. Movable bridge circuit controller or pipe coupler  
operated with another unit.....2
5. Auxiliary circuit controller or movable bridge  
wedge, latch, lift rail, etc.....1

D. Track Occupancy Detection Devices

1. Non-coded track circuit (DC or AC/DC).....2
2. Coded track circuit
  - (a) Relay equipment.....4
  - (b) Electronic equipment.....2
3. Superimposed circuit on track circuit.....2
4. Auxiliary track instrument for train detection.....2
5. Motion sensitive track circuit to continuously  
detect rate of direction of motion (constant warning).10
6. Motion sensitive track circuit to continuously detect  
direction of motion.....6
7. Presence detector.....2
8. Train control inductor or loop circuit.....1
9. Bonded rail joints, per mile each rail.....1

E. Locking Devices

1. Electric lever lock applied to a mechanical lever.....1
2. Electric lock on hand-operated switch or railroad  
crossing gate.....2
3. Electric lock applied to units C.-1, C.-2. or B.-7.....1
4. Manual operated time lock applied to a mechanical  
lever, hand operated switch and to units  
C.-1., C.-2. or B.-7.....1

F. Highway Grade Crossing Warning Devices

1. Signal, bell-type with or without reflectorized signs,  
per mast.....1
2. Signal, flashing light type (one pair), with or without  
bell or reflectorized signs, per mast.....2
3. Additional pair of flashing lights, illuminated  
"stop" sign, auxiliary illuminated sign or rotating  
"stop" disc.....1

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4.	Mechanical flagman (wig-wag).....	4
5.	Each automatic gate mechanism, air up to 26 ft.....	8
6.	Each automatic gate mechanism, arm over 26 ft.....	9
7.	Manual gate, per mast	
	(a) Mechanical.....	1
	(b) Power.....	2
G.	<u>Classification Yard Devices</u>	
1.	Car retarder including operating mechanism per rail foot of braking length per rail.....	1
2.	Weigh rail.....	1
3.	Radar unit.....	2
4.	Weather station.....	4
H.	<u>Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting</u>	
1.	Wayside track occupancy or switch position.....	2
2.	Yard track.....	4
3.	Third rail clearance, per instrument.....	2
4.	Switch or derail position, target or light.....	1
5.	Fence, slide or falling Rock, per 100 ft.....	2
6.	High water or fire, per installation.....	1
7.	Dragging equipment, per detector.....	2
8.	Clearance, high wide load.....	1
9.	Hot bearing or wheel, basic system.....	25
10.	Hot bearing or wheel enhanced system.....	40
11.	Automatic vehicle identification system.....	15
12.	Wheel sensor.....	1
13.	Wheel impact system.....	8
14.	Radio annunciator for train inspection.....	1
15.	Photo electric cell, per unit.....	1
I.	<u>Traffic Control Devices</u>	
1.	Lever including circuit, within interlocking.....	1
2.	Lever including circuits, between interlockings.....	2
3.	Code unit for remote control.....	1
4.	Carrier unit.....	1
5.	Radio data link.....	1
6.	Control operators work station.....	40
7.	Mechanical locking bed, per units of five levers.....	2
J.	<u>Back Up Power Supply Systems</u>	
1.	Generator, per increments of 15 KVA.....	1
2.	Solar panel system, per increments of 2 KVA.....	1
3.	Uninterrupted power supply system, per increments of 30 KVA.....	1
4.	Battery and charger, per set.....	1
K.	<u>Wires, Working Conductors (between instrument housings)</u>	
1.	Pole line open wire, two wires each circuit per mile...	2
2.	Aerial cable, one pair wires per mile.....	1
3.	Underground cable or wires, two pairs per mile.....	1

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**L. Miscellaneous Devices**

1. Operations recorder or data logger.....2
2. Air compressor for switch and retarder control.....2

**INTERPRETATIONS**

**A. Wayside Signal Devices:**

1. Signal inoperative air, or light: an inoperative air, light or marker on a mast on which there are operative arms and for which no separate control is required.
2. Signal, complete with mast, blade, or light inoperative: a signal mast on which there are no operative arms and all arms, lights or markers being in a fixed position.
3. Signal, three aspects, semaphore or light: a three-position signal, such as a signal displaying red, yellow, or green aspect; which aspect has a value of 2 units.
4. Signal, two aspects, semaphore or light: a two-position signal, such as a signal displaying red or green aspect; each aspect has a value of 2 units.
5. Signal, one aspect, semaphore or light: a one-position operative signal.
6. Signal, each additional aspect where there may be a four position signal; that is, one displaying red, yellow, green or lunar white, or one displaying red, yellow, flashing yellow or green or one displaying four rows of lights. No aspect should be counted twice unless it is displayed both steady and flashing.
9. Marker light, operated: a separate control with marker light displayed.

**B. Track, switch and Derail Devices:**

6. Derail, pipe connected to switch and operated thereby: derail and pipe connections only. Does not include the switch machine.
8. Switch and lock movement, mechanical: a switch operating mechanism usually applied to hand-operated switch or derail.

**D. Track Occupancy Detection Devices:**

1. Non-coded track circuit: includes continuous AC, DC or audio frequency track circuit.
2. Coded track circuit: a coded track circuit, AC or DC or



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audio frequency regardless of the number of codes. Reversal of coded track for movement in opposite direction where same equipment is used does not change unit value. Where duplicate equipment is used in reversing track circuits, then each direction will count separately. Where coded AC also provides cab signal current, it is considered part of coded track circuit if the frequency is the same.

3. Superimposed circuit on track circuit: additional form of energy superimposed on a track circuit.

**F. Highway Grade Crossing Warning Devices:**

2. Highway grade crossing signal, flashing light type (one pair of flashing lights), with or without bell or reflectorized signs, per mast. A mast with two flashing light units only in the direction of traffic, with or without inoperative auxiliary signs, and takes into consideration control circuits.
3. Additional pair of flashing lights, illuminated STOP sign, auxiliary illuminated sign or rotating STOP disc: a pair of blacklights, an extra crossarm with one pair of lights or illuminated NO TURN sign.
5. Each automatic gate mechanism arm up to 26 ft.: includes light or lights attached.
6. Each automatic gate mechanism arm over 26 ft.: includes light or light attached.

**I. Traffic Control Device:**

1. Lever including circuit within interlocking: the traffic lever that checks the movement of the train through the interlocking at the time it is being made. Not tied in with adjacent interlockings.
2. Lever, including circuits between interlockings: the traffic lever and associated circuits check the block and opposing signals at the next interlocking/block station.

This lever and associated circuits hold traffic in one direction until the route for which they were established is clear.

**H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting**

10. Hot bearing or wheel enhanced systems: includes data transmission and office central reporting.




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FORM 1.3.2-1

		RAILROAD _____																	
		SIGNAL AND INTERLOCKING UNIT DISTRIBUTION																	
EXHIBIT "C" DISTRIBUTION OF UNITS AS OF _____																			
PAGE NO.	ITEM NO.	UNIT NO.	EA				EB				EC				ED				REFERENCE EXHIBIT "A"
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
																		EXHIBIT "B" AAR SIGNAL & INTER- LOCKING UNITS & INTERPRE- TATIONS DATE 19____ AGREEMENT AGENT NO. _____ DATE 19____	
TOTALS			TOTALS COLUMN 1				TOTALS COLUMN 2				TOTALS COLUMN 3				TOTALS COLUMN 4				NOTES:
PROPERTY OF RAILROAD OR OTHER PARTY			CONSTRUCTION				EQUIPMENT				MATERIALS				OTHER				
			EQUIPMENT				MATERIALS				OTHER								
			MATERIALS				OTHER												
			OTHER																
APPROVED _____			DATE _____			APPROVED _____			DATE _____			APPROVED _____			DATE _____				
TITLE _____			DATE _____			TITLE _____			DATE _____			TITLE _____			DATE _____				
APPROVED _____			DATE _____			APPROVED _____			DATE _____			APPROVED _____			DATE _____				
TITLE _____			DATE _____			TITLE _____			DATE _____			TITLE _____			DATE _____				

NOTE: 8" x 12 1/2" Pads, Supplied by Railroads  
The Railroad System's Insignia, if required, shall be printed in upper left-hand of form.

I N T E R L O C K I N G   A G R E E M E N T

THIS AGREEMENT, entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between PENNSYLVANIA LINES LLC (hereinafter referred to as "PRR"), NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR"), NEW YORK CENTRAL LLC (hereinafter referred to as "NYC"), and CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement; and

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at Mike in Fort Wayne, Indiana under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing and interlocking;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1. DEFINITION OF INTERLOCKING AND AAR UNITS

(a) Whenever the word "interlocking" is hereinafter used, it shall be held and

taken to include but not be limited to the field coding equipment, signals, housings, appliances, highway traffic control devices and appurtenances necessary for operation of the interlocking, substantially as shown on the plan to be marked Exhibit "A". Said Exhibit "A" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.

- (b) The limits of the interlocking shall, for the purpose of this Agreement, be within and include the home signals along the tracks of the parties to be shown on Exhibit "A". Units will be assigned in accordance with the Signal and Interlocking Unit Distribution to be effective the same date as the effective date of this Agreement and marked Exhibit "C". Said Exhibit "C" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (c) The term "AAR Units" used herein refers to the units stated in the Table of Signal and Interlocking Units of the Signal Section, Association of American Railroads, as issued from time to time. At the time of this Agreement, said table dated 1993 shall apply, copy attached hereto, marked Exhibit "B" and made a part hereof.

## ARTICLE 2. OWNERSHIP

- (a) Ownership of the railroad crossing frog(s) and/or turnouts within the interlocking limits shall be vested as follows and shall be defined on the plan to be marked Exhibit "D". Said Exhibit "D" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.

Ownership of the existing crossing, and turnouts, to be shown on Exhibit "D", will be vested 50% in NYC and 50% in PRR.

- (b) Ownership of said interlocking shall be vested in each party in accordance with the AAR Units to be indicated on Exhibit "C".
- (c) Any taxes or other charges assessed against said ownership shall be borne by CSXT and NSR in proportion to NYC's ownership (in the case of CSXT) and PRR's ownership (in the case of NSR). The ownership of facilities installed by or for either NSR or CSXT at its sole expense shall be vested in PRR and NYC, respectively, and NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) shall bear any taxes or other charges as may be assessed against said ownership.

## ARTICLE 3. MAINTENANCE AND OPERATION OF CROSSING(S) AND INTERLOCKING

- (a) Maintenance, inspection, repair and renewal of the rail crossing frog(s) and/or turnouts within the interlocking limits shall be performed as follows:

NSR shall maintain, inspect, repair and renew the existing crossing turnouts, to be shown on Exhibit "D".

- (b) Signal maintenance, repair, and renewal and operation of the interlocking shall be under the sole charge and control of NSR, and it shall employ competent persons for such purposes. Each party shall at its sole cost and expense maintain all signal facilities and appurtenances in and along its tracks outside of the limits of said interlocking as may be necessary to accommodate said interlocking.
- (c) Operation and control of the interlocking shall be conducted in a manner as to afford each of the parties the most economical and efficient movement of its traffic through the facility.

#### ARTICLE 4. DIVISION OF CROSSING(S) AND INTERLOCKING MAINTENANCE COST

- (a) The expense of maintaining, repairing and renewing the crossing frog(s) and/or crossing turnouts shall be allocated as follows:
  - (i) The cost and expense of maintenance, inspection, repair and renewal of the existing crossing diamonds, to be shown on Exhibit "D" shall be equally divided between NSR and CSXT.
  - (ii) The cost and expense of maintenance, inspection, repair and renewal of the existing connection tracks, turnouts, and road crossing surfaces, to be shown on Exhibit "D", within the the interlocking limits, will be at the sole cost and expense of NSR, in the case of a crossover, connecting trackage and turnouts owned by PRR or located on PRR right-of-way, and of CSXT, in the case of a crossover, connecting trackage and turnouts owned by NYC or located on NYC right-of-way.
- (b) The expense of maintenance, repair and renewal and operation of the interlocking, including cost of electrical current, shall be based on unit values as shown on Exhibit "B" and apportioned between NSR and CSXT as will be indicated on Exhibit "C".
- (c) In the event future changes are made in the interlocking, Exhibit "C" shall be revised following each such change in accordance with the principles set forth herein. After approval by the respective signal officers of NSR and CSXT, said revised Exhibit "C" shall be substituted for the then existing Exhibit "C" and shall be applicable from the effective date shown thereon.

#### ARTICLE 5. MAINTENANCE OF TRACKS

Each of NSR and CSXT shall, at its sole cost and expense, perform any and all track work on PRR lines (in the case of NSR) and NYC lines (in the case of CSXT) located outside of the interlocking limits, and make such changes in such tracks, and install, maintain and renew insulated joints and other appurtenances located in such tracks as may be required for the interlocking. Each of NSR and CSXT will keep the premises and the tracks free from interference and obstructions which may in any way affect the proper functioning of said interlocking.



ARTICLE 6. COMMUNICATION CHANGES

NSR and CSXT shall, at its sole cost and expense, make such changes in and adjustments to PRR (in the case of NSR) and NYC (in the case of CSXT) communication facilities as may be required for its operations and to accommodate the interlocking, and hereafter maintain said facilities at its sole expense.

ARTICLE 7. CHANGES TO INTERLOCKING

CSXT and NSR shall have the right to require track changes to tracks located within the interlocking limits and changes in the interlocking that do not impair the interlocking's efficiency, provided that such changes shall be made in accordance with plans which shall have been approved by the respective officers of NSR and CSXT. Any interlocking changes arising from changes made in any existing track, or made to cover any future track or tracks NSR or CSXT may have the right to construct within the interlocking limits, or which may be required by reason of any changes made in the standard appliances or practices of NSR or CSXT, or which may be ordered by a lawfully constituted public authority shall be made by NSR. Unless otherwise agreed to by the parties NSR shall make changes to track owned by PRR and CSXT shall make changes to track owned by NYC. The cost of any track and interlocking changes shall be borne by the party requesting such changes or as agreed to by the parties. In those cases where the changes are mandated by any legally constituted public authority having jurisdiction over said interlocking, the cost of such changes shall be borne by the party or parties for whose benefit such changes are made.

ARTICLE 8. ELIMINATION OF CROSSOVER(S), CONNECTING TRACK(S) AND TURNOUTS

Subject to Article VIII of the CSXT Operating Agreement and the NSR Operating Agreement, NSR shall have the right to retire and eliminate existing or future crossings and/or connections of PRR track or tracks with the track or tracks of NYC within the limits of the interlocking and CSXT shall have the right to retire and eliminate existing or future crossings and/or connections of NYC track or tracks with the track or tracks of PRR within the limits of the interlocking, and the cost and expense to eliminate such crossover(s), connecting track(s) and turnout(s) shall be divided as follows:

- (a) Costs and expenses to effect a partial withdrawal shall be apportioned as provided in Article 7.
- (b) All costs, relating to removal of track, track appurtenances, signals and related facilities necessary to effect abandonment or complete withdrawal of either party from further use of this joint facility, shall be at the sole expense of the sponsoring party, and the salvage value derived therefrom shall be credited to NSR and CSXT in proportion to the ownership of the facility by PRR and NYC, respectively, subject to Article VIII of the NSR Operating Agreement and the CSXT Operating Agreement.
- (c) Costs and expenses necessary to rearrange the remaining facilities and provide necessary additional facilities for the continued operation of the remaining party shall be at the sole expense of the withdrawing party.



ARTICLE 9. TEMPORARY MANUAL PROTECTION

In the event it shall become necessary to assign forces at the herein referred to crossing(s) for the protection of train movements while the interlocking may be temporarily out of service, NSR shall do so, and the cost and expense of said forces and supplies furnished to them shall be divided and paid in the aforesaid division of maintenance cost. However, in case it is necessary to provide manual protection as a result of damage caused by any party hereto or at the request of any party for its sole benefit, such party shall exclusively bear the entire cost of the manual protection.

ARTICLE 10. ACCOUNTING

- (a) CSXT and NSR shall keep accurate accounts of all their costs incurred in installing, maintaining, repairing, renewing and operating the crossing(s) and the interlocking. Such records shall be open at all reasonable times for audit and inspection for a period of three (3) years from date of billing.
- (b) Either party may, at any time subsequent to the execution of this Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintaining the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.

ARTICLE 11. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

ARTICLE 12. LIABILITY

- (a) For the purposes of this Article it is agreed that:
  - (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.

- (ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.
  - (iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.
- (b) Except as provided for in Article 8 (c) below, the responsibility and liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:
- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
  - (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party causing the Loss is solely responsible.
  - (iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
  - (iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and

affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

- (v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.
  - (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the judgment and costs and expense incurred in such suit according to its liability assumed hereunder.
  - (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' liability or other law and either of said parties, under the provisions of this Agreement, requires to pay said compensation, if such compensation is required to be paid in installments over a period of time; then such party shall not be released from paying any such future installments until the expiration or other termination of this Agreement. If any of the respective dates upon which any such future installments are to be paid.
- (c) Article 12(b) shall apply only to the amount of Loss resulting from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c) (1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c) (2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT

would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c)(1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.

- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of druge or alcohol or by the intentional and criminal misconduct of any such employee and Article 12(b) and (c) shall not apply to any such Loss.

#### ARTICLE 13. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.
- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.
- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds



\$35,000.00.

- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 14. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 15. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire



(except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.

- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at Mike in Fort Wayne, Indiana, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

#### ARTICLE 16. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

#### ARTICLE 17. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

#### ARTICLE 18. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To PRR:           To be furnished

To NYC:           To be furnished

To CSXT: Assistant Vice President-Joint Facilities  
CSX Transportation, Inc. J200  
500 Water Street  
Jacksonville, FL 32202

To NSR: Vice President Transportation  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

ARTICLE 19. 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, car 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.

ARTICLE 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

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

WITNESS: PENNSYLVANIA LINES LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS: NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS: CSX TRANSPORTATION, INC.

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS: NEW YORK CENTRAL LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

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Part 1.1.2

Recommended Table of Signal and Interlocking Units  
 and Interpretations  
 Revised 1993 (6 Pages) (SM1-3-2)

<u>Item No.</u>	<u>Description</u>	<u>Relative Unit Value</u>
<b>A. <u>Wayside Signal Devices</u></b>		
1.	Signal inoperative arm or light.....	1
2.	Signal complete with mast, blade or light.inoperative .	2
3.	*Signal, three aspects, semaphore or light.....	6
4.	*Signal, two aspects, semaphore or light.....	4
5.	*Signal, one aspect, semaphore or light.....	2
6.	*Signal, each additional aspect.....	2
7.	*Signal, mechanical operated, manual block, train order, or railroad grade crossing signal, two or three aspects.....	4
8.	*Smashboards, mechanical or power.....	4
9.	*Marker light, operated.....	2
10.	*Grade signal, semaphore or light.....	2
11.	Railroad grade crossing gate, per gate	
	(a) Mechanical.....	4
	(b) Power.....	6
<b>B. <u>Track, Switch and Derail Devices</u></b>		
1.	Switch with two points or derail	
	(a) Mechanical.....	4
	(b) Power.....	8
2.	Single slip switch with two points	
	(a) Mechanical.....	4
	(b) Power.....	8
3.	Double slip switch with four points	
	(a) Mechanical.....	8
	(b) Power.....	12
4.	Movable point frog with two points	
	(a) Mechanical.....	
	(b) Power.....	
5.	Movable point frog with four points	
	(a) Mechanical.....	8
	(b) Power.....	16
6.	Derail, pipe connected to switch and operated thereby..	4
7.	Spring switch	
	(a) Buffer.....	1
	(b) Mechanical facing point lock.....	4
8.	Switch and lock movement, mechanical.....	4
9.	Switch circuit controller, signal or highway grade crossing warning device.....	1

\* Each semaphore arm, light signal, or marker to be counted separately.



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10.	Snow removal device, controlled or automatic, per pair of switch points.....	2
11.	Switch point helper	
	(a) Mechanical.....	1
	(b) Power.....	4
C.	<u>Movable Bridge Devices</u>	
1.	Facing point lock or movable bridge lock or rail lock	
	(a) Mechanical.....	2
	(b) Power.....	6
2.	Facing point lock, or movable bridge lock or rail lock operated with another unit.....	1
3.	Movable bridge circuit controller or pipe coupler	
	(a) Mechanical.....	4
	(b) Power.....	8
4.	Movable bridge circuit controller or pipe coupler operated with another unit.....	2
5.	Auxiliary circuit controller or movable bridge wedge, latch, lift rail, etc.....	1
D.	<u>Track Occupancy Detection Devices</u>	
1.	Non-coded track circuit (DC or AC/DC).....	2
2.	Coded track circuit	
	(a) Relay equipment.....	4
	(b) Electronic equipment.....	2
3.	Superimposed circuit on track circuit.....	2
4.	Auxiliary track instrument for train detection.....	2
5.	Motion sensitive track circuit to continuously detect rate of direction of motion (constant warning).10	
6.	Motion sensitive track circuit to continuously detect direction of motion.....	6
7.	Presence detector.....	2
8.	Train control inductor or loop circuit.....	1
9.	Bonded rail joints, per mile each rail.....	1
E.	<u>Locking Devices</u>	
1.	Electric lever lock applied to a mechanical lever.....	1
2.	Electric lock on hand-operated switch or railroad crossing gate.....	2
3.	Electric lock applied to units C.-1, C.-2. or B.-7.....	1
4.	Manual operated time lock applied to a mechanical lever, hand operated switch and to units C.-1., C.-2. or B.-7.....	1
F.	<u>Highway Grade Crossing Warning Devices</u>	
1.	Signal, bell-type with or without reflectorized signs, per mast.....	1
2.	Signal, flashing light type (one pair), with or without bell or reflectorized signs, per mast.....	2
3.	Additional pair of flashing lights, illuminated "stop" sign, auxiliary illuminated sign or rotating "stop" disc.....	1



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4.	Mechanical flagman (wig-wag).....	4
5.	Each automatic gate mechanism, air up to 26 ft.....	8
6.	Each automatic gate mechanism, arm over 26 ft.....	9
7.	Manual gate, per mast	
	(a) Mechanical.....	1
	(b) Power.....	2
G.	<u>Classification Yard Devices</u>	
1.	Car retarder including operating mechanism per rail foot of braking length per rail.....	1
2.	Weigh rail.....	1
3.	Radar unit.....	2
4.	Weather station.....	4
H.	<u>Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting</u>	
1.	Wayside track occupancy or switch position.....	2
2.	Yard track.....	4
3.	Third rail clearance, per instrument.....	2
4.	Switch or derail position, target or light.....	1
5.	Fence, slide or falling Rock, per 100 ft.....	2
6.	High water or fire, per installation.....	1
7.	Dragging equipment, per detector.....	2
8.	Clearance, high wide load.....	1
9.	Hot bearing or wheel, basic system.....	25
10.	Hot bearing or wheel enhanced system.....	40
11.	Automatic vehicle identification system.....	15
12.	Wheel sensor.....	1
13.	Wheel impact system.....	8
14.	Radio annunciator for train inspection.....	1
15.	Photo electric cell, per unit.....	1
I.	<u>Traffic Control Devices</u>	
1.	Lever including circuit, within interlocking.....	1
2.	Lever including circuits, between interlockings.....	2
3.	Code unit for remote control.....	1
4.	Carrier unit.....	1
5.	Radio data link.....	1
6.	Control operators work station.....	40
7.	Mechanical locking bed, per units of five levers.....	2
J.	<u>Back Up Power Supply Systems</u>	
1.	Generator, per increments of 15 KVA.....	1
2.	Solar panel system, per increments of 2 KVA.....	1
3.	Uninterrupted power supply system, per increments of 30 KVA.....	1
4.	Battery and charger, per set.....	1
K.	<u>Wires, Working Conductors (between instrument housings)</u>	
1.	Pole line open wire, two wires each circuit per mile....	2
2.	Aerial cable, one pair wires per mile.....	1
3.	Underground cable or wires, two pairs per mile.....	1

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**L. Miscellaneous Devices**

1. Operations recorder or data logger.....2
2. Air compressor for switch and retarder control.....2

**INTERPRETATIONS**

**A. Wayside Signal Devices:**

1. Signal inoperative air, or light: an inoperative air, light or marker on a mast on which there are operative arms and for which no separate control is required.
2. Signal, complete with mast, blade, or light inoperative: a signal mast on which there are no operative arms and all arms, lights or markers being in a fixed position.
3. Signal, three aspects, semaphore or light: a three-position signal, such as a signal displaying red, yellow, or green aspect; which aspect has a value of 2 units.
4. Signal, two aspects, semaphore or light: a two-position signal, such as a signal displaying red or green aspect; each aspect has a value of 2 units.
5. Signal, one aspect, semaphore or light: a one-position operative signal.
6. Signal, each additional aspect where there may be a four position signal; that is, one displaying red, yellow, green or lunar white, or one displaying red, yellow, flashing yellow or green or one displaying four rows of lights. No aspect should be counted twice unless it is displayed both steady and flashing.
9. Marker light, operated: a separate control with marker light displayed.

**B. Track, switch and Derail Devices:**

6. Derail, pipe connected to switch and operated thereby: derail and pipe connections only. Does not include the switch machine.
8. Switch and lock movement, mechanical: a switch operating mechanism usually applied to hand-operated switch or derail.

**D. Track Occupancy Detection Devices:**

1. Non-coded track circuit: includes continuous AC, DC or audio frequency track circuit.
2. Coded track circuit: a coded track circuit, AC or DC or

audio frequency regardless of the number of codes. Reversal of coded track for movement in opposite direction where same equipment is used does not change unit value. Where duplicate equipment is used in reversing track circuits, then each direction will count separately. Where coded AC also provides cab signal current, it is considered part of coded track circuit if the frequency is the same.

3. Superimposed circuit on track circuit: additional form of energy superimposed on a track circuit.

**F. Highway Grade Crossing Warning Devices:**

2. Highway grade crossing signal, flashing light type (one pair of flashing lights), with or without bell or reflectorized signs, per mast. A mast with two flashing light units only in the direction of traffic, with or without inoperative auxiliary signs, and takes into consideration control circuits.
3. Additional pair of flashing lights, illuminated STOP sign, auxiliary illuminated sign or rotating STOP disc: a pair of blacklights, an extra crossarm with one pair of lights or illuminated NO TURN sign.
5. Each automatic gate mechanism arm up to 26 ft.: includes light or lights attached.
6. Each automatic gate mechanism arm over 26 ft.: includes light or light attached.

**I. Traffic Control Device:**

1. Lever including circuit within interlocking: the traffic lever that checks the movement of the train through the interlocking at the time it is being made. Not tied in with adjacent interlockings.
2. Lever, including circuits between interlockings: the traffic lever and associated circuits check the block and opposing signals at the next interlocking/block station.

This lever and associated circuits hold traffic in one direction until the route for which they were established is clear.

**H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting**

10. Hot bearing or wheel enhanced systems: includes data transmission and office central reporting.

# Association of American Railroads Signal Manual

Part 1.3.2

**1991**

FORM 1.3.2-1

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NOTE: The Railroad System's Insignia, if required, shall be printed in upper left-hand of form.



EXHIBIT P

I N T E R L O C K I N G   A G R E E M E N T

THIS AGREEMENT, entered into as of this \_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by and between PENNSYLVANIA LINES LLC (hereinafter referred to as "PRR"), NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR"), NEW YORK CENTRAL LLC (hereinafter referred to as "NYC"), and CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement; and

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at Bucyrus, Ohio under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing and interlocking;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto

as follows:

ARTICLE 1. DEFINITION OF INTERLOCKING AND AAR UNITS

- (a) Whenever the word "interlocking" is hereinafter used, it shall be held and taken to include but not be limited to the field coding equipment, signals, housings, appliances, highway traffic control devices and appurtenances necessary for operation of the interlocking, substantially as shown on the plan to be marked Exhibit "A". Said Exhibit "A" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (b) The limits of the interlocking shall, for the purpose of this Agreement, be within and include the home signals along the tracks of the parties to be shown on Exhibit "A". Units will be assigned in accordance with the Signal and Interlocking Unit Distribution to be effective the same date as the effective date of this Agreement and marked Exhibit "C". Said Exhibit "C" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (c) The term "AAR Units" used herein refers to the units stated in the Table of Signal and Interlocking Units of the Signal Section, Association of American Railroads, as issued from time to time. At the time of this Agreement, said table dated 1993 shall apply, copy attached hereto, marked Exhibit "B" and made a part hereof.

ARTICLE 2. OWNERSHIP

- (a) Ownership of the railroad crossing frogs, connecting trackage and turnouts within the interlocking limits shall be vested as follows and shall be defined on the plan to be marked Exhibit "D". Said Exhibit "D" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
  - (i) Ownership of the existing crossing frogs to be shown on Exhibit "D" will be vested 50% in NYC and 50% in PRR.
  - (ii) Ownership of the existing connecting trackage, including turnouts, to be shown on Exhibit "D" will be vested 100% in the party upon whose right-of-way such trackage is located thereon.
- (b) Ownership of said interlocking shall be vested in each party in accordance with the AAR Units to be indicated on Exhibit "C".
- (c) Any taxes or other charges assessed against said ownership shall be borne by CSXT and NSR in proportion to NYC's ownership (in the case of CSXT) and PRR's ownership (in the case of NSR). The ownership of facilities installed by or for either NSR or CSXT at its sole expense shall be vested in PRR and NYC, respectively, and NSR (in the case of

facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) shall bear any taxes or other charges as may be assessed against said ownership.

ARTICLE 3. MAINTENANCE AND OPERATION OF CROSSINGS AND INTERLOCKING

- (a) Maintenance, inspection, repair and renewal of the rail crossing frogs, connecting trackage and turnouts within the interlocking limits shall be performed as follows:
  - (i) NSR shall maintain, repair and renew the existing crossing frog to be shown on Exhibit "D".
  - (ii) Each of NSR and CSXT shall maintain, repair and renew the respective ownership of the existing connecting trackage and turnouts, including road crossing surfaces, if any, located on the right-of-way of PRR and NYC, respectively, within the limits of the interlocking to be shown on Exhibit "D".
- (b) Signal maintenance, repair, renewal and operation of the interlocking shall be under the sole charge and control of NSR, and it shall employ competent persons for such purposes. Each party hereto shall at its sole cost and expense maintain all signal facilities and appurtenances in and along its tracks outside of the limits of said interlocking as may be necessary to accommodate said interlocking.
- (c) Operation and control of the interlocking shall be conducted in a manner as to afford each of the parties the most economical and efficient movement of its traffic through the facility.

ARTICLE 4. DIVISION OF CROSSINGS AND INTERLOCKING MAINTENANCE COST

- (a) The expense of maintenance, repair and renewal of the crossing frogs, connecting trackage and turnouts shall be allocated as follows:
  - (i) The cost and expense of maintenance, repair and renewal of the existing crossing frogs to be shown on Exhibit "D" shall be equally divided between NSR and CSXT.
  - (ii) The cost and expense of maintenance, repair and renewal of the existing crossovers, connecting trackage and turnouts and road crossing surfaces, if any, to be shown on Exhibit "D" within the limits of the interlocking will be at the sole cost and expense of NSR, in the case of a crossover, connecting trackage and turnouts owned by PRR or located on PRR right-of-way, and of CSXT, in the case of a crossover, connecting trackage and turnouts owned by NYC or located on NYC right-of-way.
- (b) The expense of maintenance, repair, renewal and operation of the

interlocking, including cost of electrical current, shall be based on unit values as shown on Exhibit "B" and apportioned between NSR and CSXT as will be indicated on Exhibit "C".

- (c) In the event future changes are made in the interlocking, Exhibit "C" shall be revised following each such change in accordance with the principles set forth herein. After approval by the respective signal officers of NSR and CSXT, said revised Exhibit "C" shall be substituted for the then existing Exhibit "C" and shall be applicable from the effective date shown thereon.

#### ARTICLE 5. MAINTENANCE OF TRACKS

Each of NSR and CSXT shall, at its sole cost and expense, perform any and all track work on PRR lines (in the case of NSR) and NYC lines (in the case of CSXT) located outside of the interlocking limits, and make such changes in such tracks, and install, maintain and renew insulated joints and other appurtenances located in such tracks as may be required for the interlocking. Each of NSR and CSXT will keep the premises and the tracks free from interference and obstructions which may in any way affect the proper functioning of said interlocking.

#### ARTICLE 6. COMMUNICATION CHANGES

NSR and CSXT shall, at its sole cost and expense, make such changes in and adjustments to PRR (in the case of NSR) and NYC (in the case of CSXT) communication facilities as may be required for its operations and to accommodate the interlocking, and hereafter maintain said facilities at its sole expense.

#### ARTICLE 7. CHANGES TO INTERLOCKING

CSXT, with the consent of NYC, and NSR, with the consent of PRR shall have the right to require track changes to tracks located within the interlocking limits and changes in the interlocking that do not impair the interlocking's efficiency, provided that such changes shall be made in accordance with plans which shall have been approved by the respective officers of NSR and CSXT. Any interlocking changes arising from changes made in any existing track, or made to cover any future track or tracks NSR or CSXT may have the right to construct within the interlocking limits, or which may be required by reason of any changes made in the standard appliances or practices of NSR or CSXT, or which may be ordered by a lawfully constituted public authority shall be made by NSR. Unless otherwise agreed to by the parties NSR shall make changes to track owned by PRR and CSXT shall make changes to track owned by NYC. The cost of any track and interlocking changes shall be borne by the party requesting such changes or as agreed to by the parties. In those cases where the changes are mandated by any legally constituted public authority having jurisdiction over said interlocking, the cost of such changes shall be borne by the party or parties for whose benefit



such changes are made.

ARTICLE 8. ELIMINATION OF CROSSOVER(S), CONNECTING TRACK(S) AND TURNOUTS

Subject to Article VIII of the CSXT Operating Agreement and the NSR Operating Agreement, NSR shall have the right to retire and eliminate existing or future crossings and/or connections of PRR track or tracks with the track or tracks of NYC within the limits of the interlocking and CSXT shall have the right to retire and eliminate existing or future crossings and/or connections of NYC track or tracks with the track or tracks of PRR within the limits of the interlocking, and the cost and expense to eliminate such crossover(s), connecting track(s) and turnout(s) shall be divided as follows:

- (a) Costs and expenses to effect a partial withdrawal shall be apportioned as provided in Article 7.
- (b) All costs, relating to removal of track, track appurtenances, signals and related facilities necessary to effect abandonment or complete withdrawal of either party from further use of this joint facility, shall be at the sole expense of the sponsoring party, and the salvage value derived therefrom shall be credited to NSR and CSXT in proportion to the ownership of the facility by PRR and NYC, respectively, subject to Article VIII of the NSR Operating Agreement and the CSXT Operating Agreement.
- (c) Costs and expenses necessary to rearrange the remaining facilities and provide necessary additional facilities for the continued operation of the remaining party shall be at the sole expense of the withdrawing party.

ARTICLE 9. TEMPORARY MANUAL PROTECTION

In the event it shall become necessary to assign forces at the herein referred to crossing(s) for the protection of train movements while the interlocking may be temporarily out of service, NSR shall do so, and the cost and expense of said forces and supplies furnished to them shall be divided and paid in the aforesaid division of maintenance cost. However, in case it is necessary to provide manual protection as a result of damage caused by any party hereto or at the request of any party for its sole benefit, such party shall exclusively bear the entire cost of the manual protection.

ARTICLE 10. ACCOUNTING

- (a) CSXT and NSR shall keep accurate accounts of all their costs incurred in installation, maintenance, repair, renewal and operation of the crossing(s) and the interlocking. Such records shall be open at all reasonable times for audit and inspection for a period of three (3) years from date of billing.
- (b) Either party may, at any time subsequent to the execution of this



Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintenance of the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.

#### ARTICLE 11. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

#### ARTICLE 12. LIABILITY

- (a) For the purposes of this Article it is agreed that:
  - (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.
  - (ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.
  - (iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.
- (b) Except as provided for in Article 8 (c) below, the responsibility and

liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:

- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
- (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party causing the Loss is solely responsible.
- (iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
- (iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
- (v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.
- (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the judgment and costs and expense incurred in such suit according to its liability assumed hereunder.

- (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' 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; then 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.
- (c) Article 12(b) shall apply only to the amount of Loss resulting from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c) (1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c) (2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c) (1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted

every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.

- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of drugs or alcohol or by the intentional and criminal misconduct of any such employee and Article 12(b) and (c) shall not apply to any such Loss.

#### ARTICLE 13. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.
- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.
- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds \$35,000.00.
- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 14. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 15. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties



and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.

- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at Buryrus, Ohio, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

#### ARTICLE 16. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

#### ARTICLE 17. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

#### ARTICLE 18. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To PRR:        To be furnished

To NYC:        To be furnished

To CSXT:     Assistant Vice President-Joint Facilities  
             CSX Transportation, Inc. J200  
             500 Water Street  
             Jacksonville, FL 32202

To NSR:       Vice President Transportation  
             Norfolk Southern Railway Company  
             Three Commercial Place  
             Norfolk, VA 23510-2191

ARTICLE 19. 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, car 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.

ARTICLE 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

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

WITNESS: PENNSYLVANIA LINES LLC

\_\_\_\_\_ By: \_\_\_\_\_  
Title

WITNESS: NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_ By: \_\_\_\_\_  
Title

WITNESS: CSX TRANSPORTATION, INC.

\_\_\_\_\_ By: \_\_\_\_\_  
Title

WITNESS: NEW YORK CENTRAL LLC

\_\_\_\_\_ By: \_\_\_\_\_  
Title

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Recommended Table of Signal and Interlocking Units  
 and Interpretations  
 Revised 1993 (6 Pages) (SM1-3-2)

<u>Item No.</u>	<u>Description</u>	<u>Relative Unit Value</u>
<b>A.</b>	<b><u>Wayside Signal Devices</u></b>	
1.	Signal inoperative arm or light.....	1
2.	Signal complete with mast, blade or light.inoperative .	2
3.	*Signal, three aspects, semaphore or light.....	6
4.	*Signal, two aspects, semaphore or light.....	4
5.	*Signal, one aspect, semaphore or light.....	2
6.	*Signal, each additional aspect.....	2
7.	*Signal, mechanical operated, manual block, train order, or railroad grade crossing signal, two or three aspects.....	4
8.	*Smashboards, mechanical or power.....	4
9.	*Marker light, operated.....	2
10.	*Grade signal, semaphore or light.....	2
11.	Railroad grade crossing gate, per gate	
	(a) Mechanical.....	4
	(b) Power.....	6
<b>B.</b>	<b><u>Track, Switch and Derail Devices</u></b>	
1.	Switch with two points or derail	
	(a) Mechanical.....	4
	(b) Power.....	8
2.	Single slip switch with two points	
	(a) Mechanical.....	4
	(b) Power.....	8
3.	Double slip switch with four points	
	(a) Mechanical.....	8
	(b) Power.....	12
4.	Movable point frog with two points	
	(a) Mechanical.....	
	(b) Power.....	
5.	Movable point frog with four points	
	(a) Mechanical.....	8
	(b) Power.....	16
6.	Derail, pipe connected to switch and operated thereby..	4
7.	Spring switch	
	(a) Buffer.....	1
	(b) Mechanical facing point lock.....	4
8.	Switch and lock movement, mechanical.....	4
9.	Switch circuit controller, signal or highway grade crossing warning device.....	1

\* Each semaphore arm, light signal, or marker to be counted separately.



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- 10. Snow removal device, controlled or automatic,  
per pair of switch points.....2
- 11. Switch point helper
  - (a) Mechanical.....1
  - (b) Power.....4
- C. Movable Bridge Devices
  - 1. Facing point lock or movable bridge lock or rail lock
    - (a) Mechanical.....2
    - (b) Power.....6
  - 2. Facing point lock, or movable bridge lock or rail  
lock operated with another unit.....1
  - 3. Movable bridge circuit controller or pipe coupler
    - (a) Mechanical.....4
    - (b) Power.....8
  - 4. Movable bridge circuit controller or pipe coupler  
operated with another unit.....2
  - 5. Auxiliary circuit controller or movable bridge  
wedge, latch, lift rail, etc.....1
- D. Track Occupancy Detection Devices
  - 1. Non-coded track circuit (DC or AC/DC).....2
  - 2. Coded track circuit
    - (a) Relay equipment.....4
    - (b) Electronic equipment.....2
  - 3. Superimposed circuit on track circuit.....2
  - 4. Auxiliary track instrument for train detection.....2
  - 5. Motion sensitive track circuit to continuously  
detect rate of direction of motion (constant warning).10
  - 6. Motion sensitive track circuit to continuously detect  
direction of motion.....6
  - 7. Presence detector.....2
  - 8. Train control inductor or loop circuit.....1
  - 9. Bonded rail joints, per mile each rail.....1
- E. Locking Devices
  - 1. Electric lever lock applied to a mechanical lever.....1
  - 2. Electric lock on hand-operated switch or railroad  
crossing gate.....2
  - 3. Electric lock applied to units C.-1, C.-2. or B.-7.....1
  - 4. Manual operated time lock applied to a mechanical  
lever, hand operated switch and to units  
C.-1., C.-2. or B.-7.....1
- F. Highway Grade Crossing Warning Devices
  - 1. Signal, bell-type with or without reflectorized signs,  
per mast.....1
  - 2. Signal, flashing light type (one pair), with or without  
bell or reflectorized signs, per mast.....2
  - 3. Additional pair of flashing lights, illuminated  
"stop" sign, auxiliary illuminated sign or rotating  
"stop" disc.....1

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4.	Mechanical flagman (wig-wag).....	4
5.	Each automatic gate mechanism, air up to 26 ft.....	8
6.	Each automatic gate mechanism, arm over 26 ft.....	9
7.	Manual gate, per mast	
	(a) Mechanical.....	1
	(b) Power.....	2
G.	<u>Classification Yard Devices</u>	
1.	Car retarder including operating mechanism per rail foot of braking length per rail.....	1
2.	Weigh rail.....	1
3.	Radar unit.....	2
4.	Weather station.....	4
H.	<u>Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting</u>	
1.	Wayside track occupancy or switch position.....	2
2.	Yard track.....	4
3.	Third rail clearance, per instrument.....	2
4.	Switch or derail position, target or light.....	1
5.	Fence, slide or falling Rock, per 100 ft.....	2
6.	High water or fire, per installation.....	1
7.	Dragging equipment, per detector.....	2
8.	Clearance, high wide load.....	1
9.	Hot bearing or wheel, basic system.....	25
10.	Hot bearing or wheel enhanced system.....	40
11.	Automatic vehicle identification system.....	15
12.	Wheel sensor.....	1
13.	Wheel impact system.....	8
14.	Radio annunciator for train inspection.....	1
15.	Photo electric cell, per unit.....	1
I.	<u>Traffic Control Devices</u>	
1.	Lever including circuit, within interlocking.....	1
2.	Lever including circuits, between interlockings.....	2
3.	Code unit for remote control.....	1
4.	Carrier unit.....	1
5.	Radio data link.....	1
6.	Control operators work station.....	40
7.	Mechanical locking bed, per units of five levers.....	2
J.	<u>Back Up Power Supply Systems</u>	
1.	Generator, per increments of 15 KVA.....	1
2.	Solar panel system, per increments of 2 KVA.....	1
3.	Uninterrupted power supply system, per increments of 30 KVA.....	1
4.	Battery and charger, per set.....	1
K.	<u>Wires, Working Conductors (between instrument housings)</u>	
1.	Pole line open wire, two wires each circuit per mile....	2
2.	Aerial cable, one pair wires per mile.....	1
3.	Underground cable or wires, two pairs per mile.....	1

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**L. Miscellaneous Devices**

1. Operations recorder or data logger.....2
2. Air compressor for switch and retarder control.....2

**INTERPRETATIONS**

**A. Wayside Signal Devices:**

1. Signal inoperative air, or light: an inoperative air, light or marker on a mast on which there are operative arms and for which no separate control is required.
2. Signal, complete with mast, blade, or light inoperative: a signal mast on which there are no operative arms and all arms, lights or markers being in a fixed position.
3. Signal, three aspects, semaphore or light: a three-position signal, such as a signal displaying red, yellow, or green aspect; which aspect has a value of 2 units.
4. Signal, two aspects, semaphore or light: a two-position signal, such as a signal displaying red or green aspect; each aspect has a value of 2 units.
5. Signal, one aspect, semaphore or light: a one-position operative signal.
6. Signal, each additional aspect where there may be a four position signal; that is, one displaying red, yellow, green or lunar white, or one displaying red, yellow, flashing yellow or green or one displaying four rows of lights. No aspect should be counted twice unless it is displayed both steady and flashing.
9. Marker light, operated: a separate control with marker light displayed.

**B. Track, switch and Derail Devices:**

6. Derail, pipe connected to switch and operated thereby: derail and pipe connections only. Does not include the switch machine.
8. Switch and lock movement, mechanical: a switch operating mechanism usually applied to hand-operated switch or derail.

**D. Track Occupancy Detection Devices:**

1. Non-coded track circuit: includes continuous AC, DC or audio frequency track circuit.
2. Coded track circuit: a coded track circuit, AC or DC or

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audio frequency regardless of the number of codes. Reversal of coded track for movement in opposite direction where same equipment is used does not change unit value. Where duplicate equipment is used in reversing track circuits, then each direction will count separately. Where coded AC also provides cab signal current, it is considered part of coded track circuit if the frequency is the same.

3. Superimposed circuit on track circuit: additional form of energy superimposed on a track circuit.

F. Highway Grade Crossing Warning Devices:

2. Highway grade crossing signal, flashing light type (one pair of flashing lights), with or without bell or reflectorized signs, per mast. A mast with two flashing light units only in the direction of traffic, with or without inoperative auxiliary signs, and takes into consideration control circuits.
3. Additional pair of flashing lights, illuminated STOP sign, auxiliary illuminated sign or rotating STOP disc: a pair of blacklights, an extra crossarm with one pair of lights or illuminated NO TURN sign.
5. Each automatic gate mechanism arm up to 26 ft.: includes light or lights attached.
6. Each automatic gate mechanism arm over 26 ft.: includes light or light attached.

I. Traffic Control Device:

1. Lever including circuit within interlocking: the traffic lever that checks the movement of the train through the interlocking at the time it is being made. Not tied in with adjacent interlockings.
2. Lever, including circuits between interlockings: the traffic lever and associated circuits check the block and opposing signals at the next interlocking/block station.

This lever and associated circuits hold traffic in one direction until the route for which they were established is clear.

H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting

10. Hot bearing or wheel enhanced systems: includes data transmission and office central reporting.



NOTE: The Railroad System's Insignia, if required, shall be printed in upper left-hand of form.

I N T E R L O C K I N G   A G R E E M E N T

THIS AGREEMENT, entered into as of this \_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by and between PENNSYLVANIA LINES LLC ("hereinafter referred to as "PRR"), NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR"), NEW YORK CENTRAL LLC (hereinafter referred to as "NYC"), and CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement; and

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at CP 138 in Columbus, Ohio under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing and interlocking;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1. DEFINITION OF INTERLOCKING AND AAR UNITS

- (a) Whenever the word "interlocking" is hereinafter used, it shall be held and taken to include but not be limited to the field coding equipment, signals, housings, appliances, highway traffic control devices and

appurtenances necessary for operation of the interlocking, substantially as shown on the plan to be marked Exhibit "A". Said Exhibit "A" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.

- (b) The limits of the interlocking shall, for the purpose of this Agreement, be within and include the home signals along the tracks of the parties to be shown on Exhibit "A". Units will be assigned in accordance with the Signal and Interlocking Unit Distribution to be effective the same date as the effective date of this Agreement and marked Exhibit "C". Said Exhibit "C" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (c) The term "AAR Units" used herein refers to the units stated in the Table of Signal and Interlocking Units of the Signal Section, Association of American Railroads, as issued from time to time. At the time of this Agreement, said table dated 1993 shall apply, copy attached hereto, marked Exhibit "B" and made a part hereof.

#### ARTICLE 2. OWNERSHIP

- (a) Ownership of the existing crossovers, connecting trackage and turnouts within the interlocking limits will be vested 100% in the party upon whose right-of-way such crossover, connecting trackage and turnouts are located, and shall be defined on the plan to be marked Exhibit "D". Said Exhibit "D" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (b) Ownership of said interlocking shall be vested in each party in accordance with the AAR Units to be indicated on Exhibit "C".
- (c) Any taxes or other charges assessed against said ownership shall be borne by CSXT and NSR in proportion to NYC's ownership (in the case of CSXT) and PRR's ownership (in the case of NSR). The ownership of facilities installed by or for NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) at its sole expense shall be vested in PRR and NYC, respectively, and either NSR or CSXT shall bear any taxes or other charges as may be assessed against said ownership.

#### ARTICLE 3. MAINTENANCE AND OPERATION OF CONNECTION, CROSSOVER, AND INTERLOCKING

- (a) Each of NSR and CSXT shall maintain, repair, inspect and renew the respective crossovers, connecting trackage and turnouts on the right-of-way of PRR and NYC, respectively, within the limits of the interlocking, to be shown on Exhibit "D".
- (b) Signal maintenance, repair, and renewal and operation of the interlocking shall be under the sole charge and control of NSR, and it shall employ competent persons for such purposes. Each of NSR and CSXT shall at its sole cost and expense maintain all signal facilities and appurtenances in and along the tracks of PRR and NYC, respectively, outside of the limits of said interlocking as may be necessary to accommodate said interlocking.

- (c) Operation and control of the interlocking shall be conducted in a manner as to afford each of the parties the most economical and efficient movement of its traffic through the facility.

#### ARTICLE 4. DIVISION OF CONNECTION, CROSSOVER, AND INTERLOCKING MAINTENANCE COST

- (a) The cost and expense of maintenance, repair, inspection and renewal of the existing crossovers, connecting trackage and turnouts, to be shown on Exhibit "D", within the interlocking limits will be at the sole cost of NSR, in the case of a crossover, connecting trackage and turnouts owned by PRR or located on PRR right-of-way, and of CSXT, in the case of a crossover, connecting trackage and turnouts owned by NYC or located on NYC right-of-way.
- (b) The expense of maintenance, repair, renewal and operation the interlocking, including cost of electrical current, shall be based on unit values as shown on Exhibit "B" and apportioned between NSR and CSXT as will be indicated on Exhibit "C".
- (c) In the event future changes are made in the interlocking, Exhibit "C" shall be revised following each such change in accordance with the principles set forth herein. After approval by the respective signal officers of NSR and CSXT, said revised Exhibit "C" shall be substituted for the then existing Exhibit "C" and shall be applicable from the effective date shown thereon.

#### ARTICLE 5. MAINTENANCE OF TRACKS

Each of NSR and CSXT shall, at its sole cost and expense, perform any and all track work on PRR lines (in the case of NSR) and NYC lines (in the case of CSXT) located outside of the interlocking limits, and make such changes in such tracks, and install, maintain and renew insulated joints and other appurtenances located in such tracks as may be required for the interlocking. Each of NSR and CSXT will keep the premises and the tracks free from interference and obstructions which may in any way affect the proper functioning of said interlocking.

#### ARTICLE 6. COMMUNICATION CHANGES

NSR and CSXT shall, at its sole cost and expense, make such changes in and adjustments to PRR (in the case of NSR) and NYC (in the case of CSXT) communication facilities as may be required for its operations and to accommodate the interlocking, and hereafter maintain said facilities at its sole expense.

#### ARTICLE 7. CHANGES TO INTERLOCKING

CSXT and NSR shall have the right to require track changes to tracks located within the interlocking limits and changes in the interlocking that do not impair the interlocking's efficiency, provided that such changes shall be made in accordance with plans which shall have been approved by the respective officers of NSR and CSXT. Any interlocking changes arising from changes made in any existing track, or made to cover any future track or tracks NSR or CSXT may



have the right to construct within the interlocking limits, or which may be required by reason of any changes made in the standard appliances or practices of NSR or CSXT, or which may be ordered by a lawfully constituted public authority shall be made by NSR. Unless otherwise agreed to by the parties NSR shall make changes to track owned by PRR and CSXT shall make changes to track owned by NYC. The cost of any track and interlocking changes shall be borne by the party requesting such changes or as agreed to by the parties. In those cases where the changes are mandated by any legally constituted public authority having jurisdiction over said interlocking, the cost of such changes shall be borne by the party or parties for whose benefit such changes are made.

#### ARTICLE 8. ELIMINATION OF CROSSOVER(S), CONNECTING TRACK(S) AND TURNOUTS

Subject to Article VIII of the CSXT Operating Agreement and the NSR Operating Agreement, NSR shall have the right to retire and eliminate existing or future crossings and/or connections of PRR track or tracks with the track or tracks of NYC within the limits of the interlocking and CSXT shall have the right to retire and eliminate existing or future crossings and/or connections of NYC track or tracks with the track or tracks of PRR within the limits of the interlocking, and the cost and expense to eliminate such crossover(s), connecting track(s) and turnout(s) shall be divided as follows:

- (a) Costs and expenses to effect a partial withdrawal shall be apportioned as provided in Article 7.
- (b) All costs, relating to removal of track, track appurtenances, signals and related facilities necessary to effect abandonment or complete withdrawal of either party from further use of this joint facility, shall be at the sole expense of the sponsoring party, and the salvage value derived therefrom shall be credited to NSR and CSXT in proportion to the ownership of the facility by PRR and NYC, respectively, subject to Article VIII of the NSR Operating Agreement and the CSXT Operating Agreement.
- (c) Costs and expenses necessary to rearrange the remaining facilities and provide necessary additional facilities for the continued operation of the remaining party shall be at the sole expense of the withdrawing party.

#### ARTICLE 9. TEMPORARY MANUAL PROTECTION

In the event it shall become necessary to assign forces at the herein referred to crossing(s) for the protection of train movements while the interlocking may be temporarily out of service, NSR shall do so, and the cost and expense of said forces and supplies furnished to them shall be divided and paid in the aforesaid division of maintenance cost. However, in case it is necessary to provide manual protection as a result of damage caused by any party hereto or at the request of any party for its sole benefit, such party shall exclusively bear the entire cost of the manual protection.

#### ARTICLE 10. ACCOUNTING

- (a) CSXT and NSR shall keep accurate accounts of all their costs incurred in installing, maintaining, repairing, renewing and operating the crossing(s) and the interlocking. Such records shall be open at all reasonable times

for audit and inspection for a period of three (3) years from date of billing.

- (b) Either party may, at any time subsequent to the execution of this Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintaining the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.

#### ARTICLE 11. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

#### ARTICLE 12. LIABILITY

- (a) For the purposes of this Article it is agreed that:
  - (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.
  - (ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.
  - (iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.
- (b) Except as provided for in Article 8 (c) below, the responsibility and

liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:

- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
- (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party causing the Loss is solely responsible.
- (iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
- (iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
- (v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.
- (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the



judgment and costs and expense incurred in such suit according to its liability assumed hereunder.

- (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' 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; then 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.
- (c) Article 12(b) shall apply only to the amount of Loss resulting from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c)(1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c)(2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c)(1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.
- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of drugs or alcohol or by the intentional and criminal misconduct of any such employee and Article 12(b) and (c) shall not apply



to any such Loss.

#### ARTICLE 13. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.
- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.
- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds \$35,000.00.
- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its

own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 14. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 15. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.
- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at Buckeye in Columbus, Ohio, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

ARTICLE 16. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

ARTICLE 17. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

ARTICLE 18. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To PRR:

To NYC:

To CSXT:     Assistant Vice President-Joint Facilities  
                 CSX Transportation, Inc. J200  
                 500 Water Street  
                 Jacksonville, FL 32202

To NSR:     Vice President Transportation  
                 Norfolk Southern Railway Company  
                 Three Commercial Place  
                 Norfolk, VA 23510-2191

ARTICLE 19. 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, car 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.

ARTICLE 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

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

WITNESS:

PENNSYLVANIA LINES LLC

\_\_\_\_\_  
By: \_\_\_\_\_  
Title

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_  
By: \_\_\_\_\_  
Title



WITNESS:

CSX TRANSPORTATION, INC.

\_\_\_\_\_ By:

\_\_\_\_\_  
Title

WITNESS:

NEW YORK CENTRAL LLC

\_\_\_\_\_ By:

\_\_\_\_\_  
Title

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Recommended Table of Signal and Interlocking Units  
and Interpretations  
Revised 1993 (6 Pages) (SM1-3-2)

<u>Item No.</u>	<u>Description</u>	<u>Relative Unit Value</u>
<b>A. <u>Wayside Signal Devices</u></b>		
1.	Signal inoperative arm or light.....	1
2.	Signal complete with mast, blade or light.inoperative .	2
3.	*Signal, three aspects, semaphore or light.....	6
4.	*Signal, two aspects, semaphore or light.....	4
5.	*Signal, one aspect, semaphore or light.....	2
6.	*Signal, each additional aspect.....	2
7.	*Signal, mechanical operated, manual block, train order, or railroad grade crossing signal, two or three aspects.....	4
8.	*Smashboards, mechanical or power.....	4
9.	*Marker light, operated.....	2
10.	*Grade signal, semaphore or light.....	2
11.	Railroad grade crossing gate, per gate	
	(a) Mechanical.....	4
	(b) Power.....	6
<b>B. <u>Track, Switch and Derail Devices</u></b>		
1.	Switch with two points or derail	
	(a) Mechanical.....	4
	(b) Power.....	8
2.	Single slip switch with two points	
	(a) Mechanical.....	4
	(b) Power.....	8
3.	Double slip switch with four points	
	(a) Mechanical.....	8
	(b) Power.....	12
4.	Movable point frog with two points	
	(a) Mechanical.....	
	(b) Power.....	
5.	Movable point frog with four points	
	(a) Mechanical.....	8
	(b) Power.....	16
6.	Derail, pipe connected to switch and operated thereby..	4
7.	Spring switch	
	(a) Buffer.....	1
	(b) Mechanical facing point lock.....	4
8.	Switch and lock movement, mechanical.....	4
9.	Switch circuit controller, signal or highway grade crossing warning device.....	1

\* Each semaphore arm, light signal, or marker to be counted separately.

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10.	Snow removal device, controlled or automatic, per pair of switch points.....	2
11.	Switch point helper	
	(a) Mechanical.....	1
	(b) Power.....	4
C.	<u>Movable Bridge Devices</u>	
1.	Facing point lock or movable bridge lock or rail lock	
	(a) Mechanical.....	2
	(b) Power.....	6
2.	Facing point lock, or movable bridge lock or rail lock operated with another unit.....	1
3.	Movable bridge circuit controller or pipe coupler	
	(a) Mechanical.....	4
	(b) Power.....	8
4.	Movable bridge circuit controller or pipe coupler operated with another unit.....	2
5.	Auxiliary circuit controller or movable bridge wedge, latch, lift rail, etc.....	1
D.	<u>Track Occupancy Detection Devices</u>	
1.	Non-coded track circuit (DC or AC/DC).....	2
2.	Coded track circuit	
	(a) Relay equipment.....	4
	(b) Electronic equipment.....	2
3.	Superimposed circuit on track circuit.....	2
4.	Auxiliary track instrument for train detection.....	2
5.	Motion sensitive track circuit to continuously detect rate of direction of motion (constant warning).10	
6.	Motion sensitive track circuit to continuously detect direction of motion.....	6
7.	Presence detector.....	2
8.	Train control inductor or loop circuit.....	1
9.	Bonded rail joints, per mile each rail.....	1
E.	<u>Locking Devices</u>	
1.	Electric lever lock applied to a mechanical lever.....	1
2.	Electric lock on hand-operated switch or railroad crossing gate.....	2
3.	Electric lock applied to units C.-1, C.-2. or B.-7.....	1
4.	Manual operated time lock applied to a mechanical lever, hand operated switch and to units C.-1., C.-2. or B.-7.....	1
F.	<u>Highway Grade Crossing Warning Devices</u>	
1.	Signal, bell-type with or without reflectorized signs, per mast.....	1
2.	Signal, flashing light type (one pair), with or without bell or reflectorized signs, per mast.....	2
3.	Additional pair of flashing lights, illuminated "stop" sign, auxiliary illuminated sign or rotating "stop" disc.....	1

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- 4. Mechanical flagman (wig-wag).....4
- 5. Each automatic gate mechanism, air up to 26 ft.....8
- 6. Each automatic gate mechanism, arm over 26 ft.....9
- 7. Manual gate, per mast
  - (a) Mechanical.....1
  - (b) Power.....2

**G. Classification Yard Devices**

- 1. Car retarder including operating mechanism per rail foot of braking length per rail.....1
- 2. Weigh rail.....1
- 3. Radar unit.....2
- 4. Weather station.....4

**H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting**

- 1. Wayside track occupancy or switch position.....2
- 2. Yard track.....4
- 3. Third rail clearance, per instrument.....2
- 4. Switch or derail position, target or light.....1
- 5. Fence, slide or falling Rock, per 100 ft.....2
- 6. High water or fire, per installation.....1
- 7. Dragging equipment, per detector.....2
- 8. Clearance, high wide load.....1
- 9. Hot bearing or wheel, basic system.....25
- 10. Hot bearing or wheel enhanced system.....40
- 11. Automatic vehicle identification system.....15
- 12. Wheel sensor.....1
- 13. Wheel impact system.....8
- 14. Radio annunciator for train inspection.....1
- 15. Photo electric cell, per unit.....1

**I. Traffic Control Devices**

- 1. Lever including circuit, within interlocking.....1
- 2. Lever including circuits, between interlockings.....2
- 3. Code unit for remote control.....1
- 4. Carrier unit.....1
- 5. Radio data link.....1
- 6. Control operators work station.....40
- 7. Mechanical locking bed, per units of five levers.....2

**J. Back Up Power Supply Systems**

- 1. Generator, per increments of 15 KVA.....1
- 2. Solar panel system, per increments of 2 KVA.....1
- 3. Uninterrupted power supply system, per increments of 30 KVA.....1
- 4. Battery and charger, per set.....1

**K. Wires, Working Conductors (between instrument housings)**

- 1. Pole line open wire, two wires each circuit per mile...2
- 2. Aerial cable, one pair wires per mile.....1
- 3. Underground cable or wires, two pairs per mile.....1



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**L. Miscellaneous Devices**

1. Operations recorder or data logger.....2
2. Air compressor for switch and retarder control.....2

**INTERPRETATIONS**

**A. Wayside Signal Devices:**

1. Signal inoperative air, or light: an inoperative air, light or marker on a mast on which there are operative arms and for which no separate control is required.
2. Signal, complete with mast, blade, or light inoperative: a signal mast on which there are no operative arms and all arms, lights or markers being in a fixed position.
3. Signal, three aspects, semaphore or light: a three-position signal, such as a signal displaying red, yellow, or green aspect; which aspect has a value of 2 units.
4. Signal, two aspects, semaphore or light: a two-position signal, such as a signal displaying red or green aspect; each aspect has a value of 2 units.
5. Signal, one aspect, semaphore or light: a one-position operative signal.
6. Signal, each additional aspect where there may be a four position signal; that is, one displaying red, yellow, green or lunar white, or one displaying red, yellow, flashing yellow or green or one displaying four rows of lights. No aspect should be counted twice unless it is displayed both steady and flashing.
9. Marker light, operated: a separate control with marker light displayed.

**B. Track, switch and Derail Devices:**

6. Derail, pipe connected to switch and operated thereby: derail and pipe connections only. Does not include the switch machine.
8. Switch and lock movement, mechanical: a switch operating mechanism usually applied to hand-operated switch or derail.

**D. Track Occupancy Detection Devices:**

1. Non-coded track circuit: includes continuous AC, DC or audio frequency track circuit.
2. Coded track circuit: a coded track circuit, AC or DC or

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audio frequency regardless of the number of codes. Reversal of coded track for movement in opposite direction where same equipment is used does not change unit value. Where duplicate equipment is used in reversing track circuits, then each direction will count separately. Where coded AC also provides cab signal current, it is considered part of coded track circuit if the frequency is the same.

3. Superimposed circuit on track circuit: additional form of energy superimposed on a track circuit.

**F. Highway Grade Crossing Warning Devices:**

2. Highway grade crossing signal, flashing light type (one pair of flashing lights), with or without bell or reflectorized signs, per mast. A mast with two flashing light units only in the direction of traffic, with or without inoperative auxiliary signs, and takes into consideration control circuits.
3. Additional pair of flashing lights, illuminated STOP sign, auxiliary illuminated sign or rotating STOP disc: a pair of blacklights, an extra crossarm with one pair of lights or illuminated NO TURN sign.
5. Each automatic gate mechanism arm up to 26 ft.: includes light or lights attached.
6. Each automatic gate mechanism arm over 26 ft.: includes light or light attached.

**I. Traffic Control Device:**

1. Lever including circuit within interlocking: the traffic lever that checks the movement of the train through the interlocking at the time it is being made. Not tied in with adjacent interlockings.
2. Lever, including circuits between interlockings: the traffic lever and associated circuits check the block and opposing signals at the next interlocking/block station.

This lever and associated circuits hold traffic in one direction until the route for which they were established is clear.

**H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting**

10. Hot bearing or wheel enhanced systems: includes data transmission and office central reporting.

**NOTE:** The Railroad System's Insignia, if required, shall be printed in upper left-hand of form.

EXHIBIT R

I N T E R L O C K I N G   A G R E E M E N T

THIS AGREEMENT, entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by and between PENNSYLVANIA LINES LLC (hereinafter referred to as "PRR"), NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR"), NEW YORK CENTRAL LLC (hereinafter referred to as "NYC") and CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement; and

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at CP Short in Cleveland, Ohio under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1. OWNERSHIP

- (a) Ownership of the railroad crossing frogs shall be vested as follows and shall be defined on the plan to be marked Exhibit "A". Said Exhibit "A"



will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.

PRR shall own the crossing frogs.

- (b) Any taxes or other charges assessed against said ownership shall be borne by CSXT and NSR in proportion to NYC's ownership (in the case of CSXT) and PRR's ownership (in the case of NSR). The ownership of facilities installed by or for either NSR or CSXT at its sole expense shall be vested in PRR and NYC, respectively, and NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) shall bear any taxes or other charges as may be assessed against said ownership.

#### ARTICLE 2. MAINTENANCE AND OPERATION OF CROSSING(S) AND INTERLOCKING

Maintenance, inspection, repair and renewal of the rail crossing frogs shall be performed as follows:

NSR shall maintain the crossing frogs.

#### ARTICLE 3. DIVISION OF CROSSINGS

The expense of maintaining, repairing and renewing the crossing frog(s) and/or crossing turnouts shall be allocated as follows:

The cost and expense of maintenance, inspection, repair and renewal of the existing crossing diamonds, to be shown on Exhibit "A" shall be equally divided between NSR and CSXT.

#### ARTICLE 4. MAINTENANCE OF TRACKS

NSR shall, at its sole cost and expense, perform any and all track work on PRR's lines located adjacent to the crossing frogs.

#### ARTICLE 5. ELIMINATION OF RAIL CROSSING

Subject to Article VIII of the NSR Operating Agreement, NSR shall have the right to retire and eliminate the existing crossings at its sole cost and expense and to retain the salvage value derived therefrom.

#### ARTICLE 6. ACCOUNTING

- (a) NSR shall keep accurate accounts of all costs incurred in installation, maintenance, repair, renewal and operation of the crossings. Such records shall be open at all reasonable times for audit and inspection for a period of three (3) years from date of billing.
- (b) Either party may, at any time subsequent to the execution of this Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintenance the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.

ARTICLE 7. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

ARTICLE 8. LIABILITY

- (a) For the purposes of this Article it is agreed that:
  - (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.
  - (ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.
  - (iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.
- (b) Except as provided for in Article 8 (c) below, the responsibility and liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:

- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
- (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party causing the Loss is solely responsible.
- (iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
- (iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
- (v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.
- (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the judgment and costs and expense incurred in such suit according to its liability assumed hereunder.
- (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' 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; then 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.

- (c) Article 12(b) shall apply only to the amount of Loss resulting from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c)(1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c)(2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c)(1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.
- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of drugs or alcohol or by the intentional and criminal misconduct of any such employee and Article 12(b) and (c) shall not apply to any such Loss.

#### ARTICLE 9. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.



- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.
- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds \$35,000.00.
- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 8.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 10. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 11. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.
- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at CP Short in Cleveland, Ohio, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

#### ARTICLE 12. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

ARTICLE 13. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

ARTICLE 14. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To PRR: To be furnished

To NYC: To be furnished

To CSXT: Assistant Vice President-Joint Facilities  
CSX Transportation, Inc. J200  
500 Water Street  
Jacksonville, FL 32202

To NSR: Vice President Transportation  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

ARTICLE 15. 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, car 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.

ARTICLE 16. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

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

WITNESS: PENNSYLVANIA LINES LLC

\_\_\_\_\_ By: \_\_\_\_\_  
Title

WITNESS: NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_ By: \_\_\_\_\_  
Title

WITNESS: CSX TRANSPORTATION, INC.

\_\_\_\_\_ By: \_\_\_\_\_  
Title

WITNESS: NEW YORK CENTRAL LLC

\_\_\_\_\_ By: \_\_\_\_\_  
Title



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Recommended Table of Signal and Interlocking Units  
 and Interpretations  
 Revised 1993 (6 Pages) (SM1-3-2)

<u>Item No.</u>	<u>Description</u>	<u>Relative Unit Value</u>
<b>A. <u>Wayside Signal Devices</u></b>		
1.	Signal inoperative arm or light.....	1
2.	Signal complete with mast, blade or light.inoperative .	2
3.	*Signal, three aspects, semaphore or light.....	6
4.	*Signal, two aspects, semaphore or light.....	4
5.	*Signal, one aspect, semaphore or light.....	2
6.	*Signal, each additional aspect.....	2
7.	*Signal, mechanical operated, manual block, train order, or railroad grade crossing signal, two or three aspects.....	4
8.	*Smashboards, mechanical or power.....	4
9.	*Marker light, operated.....	2
10.	*Grade signal, semaphore or light.....	2
11.	Railroad grade crossing gate, per gate	
	(a) Mechanical.....	4
	(b) Power.....	6
<b>B. <u>Track, Switch and Derail Devices</u></b>		
1.	Switch with two points or derail	
	(a) Mechanical.....	4
	(b) Power.....	8
2.	Single slip switch with two points	
	(a) Mechanical.....	4
	(b) Power.....	8
3.	Double slip switch with four points	
	(a) Mechanical.....	8
	(b) Power.....	12
4.	Movable point frog with two points	
	(a) Mechanical.....	
	(b) Power.....	
5.	Movable point frog with four points	
	(a) Mechanical.....	8
	(b) Power.....	16
6.	Derail, pipe connected to switch and operated thereby..	4
7.	Spring switch	
	(a) Buffer.....	1
	(b) Mechanical facing point lock.....	4
8.	Switch and lock movement, mechanical.....	4
9.	Switch circuit controller, signal or highway grade crossing warning device.....	1

\* Each semaphore arm, light signal, or marker to be counted separately.

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10.	Snow removal device, controlled or automatic, per pair of switch points.....	2
11.	Switch point helper	
	(a) Mechanical.....	1
	(b) Power.....	4
C.	<u>Movable Bridge Devices</u>	
1.	Facing point lock or movable bridge lock or rail lock	
	(a) Mechanical.....	2
	(b) Power.....	6
2.	Facing point lock, or movable bridge lock or rail lock operated with another unit.....	1
3.	Movable bridge circuit controller or pipe coupler	
	(a) Mechanical.....	4
	(b) Power.....	8
4.	Movable bridge circuit controller or pipe coupler operated with another unit.....	2
5.	Auxiliary circuit controller or movable bridge wedge, latch, lift rail, etc.....	1
D.	<u>Track Occupancy Detection Devices</u>	
1.	Non-coded track circuit (DC or AC/DC).....	2
2.	Coded track circuit	
	(a) Relay equipment.....	4
	(b) Electronic equipment.....	2
3.	Superimposed circuit on track circuit.....	2
4.	Auxiliary track instrument for train detection.....	2
5.	Motion sensitive track circuit to continuously detect rate of direction of motion (constant warning).....	10
6.	Motion sensitive track circuit to continuously detect direction of motion.....	6
7.	Presence detector.....	2
8.	Train control inductor or loop circuit.....	1
9.	Bonded rail joints, per mile each rail.....	1
E.	<u>Locking Devices</u>	
1.	Electric lever lock applied to a mechanical lever.....	1
2.	Electric lock on hand-operated switch or railroad crossing gate.....	2
3.	Electric lock applied to units C.-1, C.-2. or B.-7.....	1
4.	Manual operated time lock applied to a mechanical lever, hand operated switch and to units C.-1., C.-2. or B.-7.....	1
F.	<u>Highway Grade Crossing Warning Devices</u>	
1.	Signal, bell-type with or without reflectorized signs, per mast.....	1
2.	Signal, flashing light type (one pair), with or without bell or reflectorized signs, per mast.....	2
3.	Additional pair of flashing lights, illuminated "stop" sign, auxiliary illuminated sign or rotating "stop" disc.....	1

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4.	Mechanical flagman (wig-wag).....	4
5.	Each automatic gate mechanism, air up to 26 ft.....	8
6.	Each automatic gate mechanism, arm over 26 ft.....	9
7.	Manual gate, per mast	
	(a) Mechanical.....	1
	(b) Power.....	2

G. Classification Yard Devices

1.	Car retarder including operating mechanism per rail foot of braking length per rail.....	1
2.	Weigh rail.....	1
3.	Radar unit.....	2
4.	Weather station.....	4

H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting

1.	Wayside track occupancy or switch position.....	2
2.	Yard track.....	4
3.	Third rail clearance, per instrument.....	2
4.	Switch or derail position, target or light.....	1
5.	Fence, slide or falling Rock, per 100 ft.....	2
6.	High water or fire, per installation.....	1
7.	Dragging equipment, per detector.....	2
8.	Clearance, high wide load.....	1
9.	Hot bearing or wheel, basic system.....	25
10.	Hot bearing or wheel enhanced system.....	40
11.	Automatic vehicle identification system.....	15
12.	Wheel sensor.....	1
13.	Wheel impact system.....	8
14.	Radio annunciator for train inspection.....	1
15.	Photo electric cell, per unit.....	1

I. Traffic Control Devices

1.	Lever including circuit, within interlocking.....	1
2.	Lever including circuits, between interlockings.....	2
3.	Code unit for remote control.....	1
4.	Carrier unit.....	1
5.	Radio data link.....	1
6.	Control operators work station.....	40
7.	Mechanical locking bed, per units of five levers.....	2

J. Back Up Power Supply Systems

1.	Generator, per increments of 15 KVA.....	1
2.	Solar panel system, per increments of 2 KVA.....	1
3.	Uninterrupted power supply system, per increments of 30 KVA.....	1
4.	Battery and charger, per set.....	1

K. Wires, Working Conductors (between instrument housings)

1.	Pole line open wire, two wires each circuit per mile...	2
2.	Aerial cable, one pair wires per mile.....	1
3.	Underground cable or wires, two pairs per mile.....	1

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L. Miscellaneous Devices

1. Operations recorder or data logger.....2
2. Air compressor for switch and retarder control.....2

INTERPRETATIONS

A. Wayside Signal Devices:

1. Signal inoperative air, or light: an inoperative air, light or marker on a mast on which there are operative arms and for which no separate control is required.
2. Signal, complete with mast, blade, or light inoperative: a signal mast on which there are no operative arms and all arms, lights or markers being in a fixed position.
3. Signal, three aspects, semaphore or light: a three-position signal, such as a signal displaying red, yellow, or green aspect; which aspect has a value of 2 units.
4. Signal, two aspects, semaphore or light: a two-position signal, such as a signal displaying red or green aspect; each aspect has a value of 2 units.
5. Signal, one aspect, semaphore or light: a one-position operative signal.
6. Signal, each additional aspect where there may be a four position signal; that is, one displaying red, yellow, green or lunar white, or one displaying red, yellow, flashing yellow or green or one displaying four rows of lights. No aspect should be counted twice unless it is displayed both steady and flashing.
9. Marker light, operated: a separate control with marker light displayed.

B. Track, switch and Derail Devices:

6. Derail, pipe connected to switch and operated thereby: derail and pipe connections only. Does not include the switch machine.
8. Switch and lock movement, mechanical: a switch operating mechanism usually applied to hand-operated switch or derail.

D. Track Occupancy Detection Devices:

1. Non-coded track circuit: includes continuous AC, DC or audio frequency track circuit.
2. Coded track circuit: a coded track circuit, AC or DC or



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audio frequency regardless of the number of codes. Reversal of coded track for movement in opposite direction where same equipment is used does not change unit value. Where duplicate equipment is used in reversing track circuits, then each direction will count separately. Where coded AC also provides cab signal current, it is considered part of coded track circuit if the frequency is the same.

3. Superimposed circuit on track circuit: additional form of energy superimposed on a track circuit.

**F. Highway Grade Crossing Warning Devices:**

2. Highway grade crossing signal, flashing light type (one pair of flashing lights), with or without bell or reflectorized signs, per mast. A mast with two flashing light units only in the direction of traffic, with or without inoperative auxiliary signs, and takes into consideration control circuits.
3. Additional pair of flashing lights, illuminated STOP sign, auxiliary illuminated sign or rotating STOP disc: a pair of blacklights, an extra crossarm with one pair of lights or illuminated NO TURN sign.
5. Each automatic gate mechanism arm up to 26 ft.: includes light or lights attached.
6. Each automatic gate mechanism arm over 26 ft.: includes light or light attached.

**I. Traffic Control Device:**

1. Lever including circuit within interlocking: the traffic lever that checks the movement of the train through the interlocking at the time it is being made. Not tied in with adjacent interlockings.
2. Lever, including circuits between interlockings: the traffic lever and associated circuits check the block and opposing signals at the next interlocking/block station.

This lever and associated circuits hold traffic in one direction until the route for which they were established is clear.

**H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting**

10. Hot bearing or wheel enhanced systems: includes data transmission and office central reporting.

NOTE: The Railroad System's Insignia, if required, shall be printed in upper left-hand of form.

EXHIBIT S

I N T E R L O C K I N G   A G R E E M E N T

THIS AGREEMENT, entered into as of this \_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by and between PENNSYLVANIA LINES LLC (hereinafter referred to as "PRR"), NORFOLK SOUTHERN RAILWAY COMPANY, including its subsidiaries and affiliates (hereinafter referred to as "NSR"), NEW YORK CENTRAL LLC (hereinafter referred to as "NYC"), and CSX TRANSPORTATION, INC. (hereinafter referred to as "CSXT");

WITNESSETH: That

WHEREAS, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

WHEREAS, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

WHEREAS, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR;

WHEREAS, this Agreement and the understandings as to NYC's and PRR's interests in the interlocking (as hereinafter defined) described herein are being entered into pursuant to the terms of the Transaction Agreement; and

WHEREAS, CSXT and NSR each will operate under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, a line of railroad that either connects or crosses the other at grade at Berea, Ohio under the protection of an interlocking signal system; and

WHEREAS, NYC, CSXT, PRR and NSR desire to define their respective rights, duties and obligation with respect to the ownership, maintenance and operation of said crossing and interlocking;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, it is agreed between the parties hereto as follows:

ARTICLE 1. DEFINITION OF INTERLOCKING AND AAR UNITS

- (a) Whenever the word "interlocking" is hereinafter used, it shall be held and taken to include but not be limited to the field coding equipment, signals, housings, appliances, highway traffic control devices and

appurtenances necessary for operation of the interlocking, substantially as shown on the plan to be marked Exhibit "A". Said Exhibit "A" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.

- (b) The limits of the interlocking shall, for the purpose of this Agreement, be within and include the home signals along the tracks of the parties to be shown on Exhibit "A". Units will be assigned in accordance with the Signal and Interlocking Unit Distribution to be effective the same date as the effective date of this Agreement and marked Exhibit "C". Said Exhibit "C" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (c) The term "AAR Units" used herein refers to the units stated in the Table of Signal and Interlocking Units of the Signal Section, Association of American Railroads, as issued from time to time. At the time of this Agreement, said table dated 1993 shall apply, copy attached hereto, marked Exhibit "B" and made a part hereof.

#### ARTICLE 2. OWNERSHIP

- (a) Ownership of the existing crossovers, connecting trackage and turnouts within the interlocking limits will be vested 100% in the party upon whose right-of-way such crossover, connecting trackage and turnouts are located, and shall be defined on the plan to be marked Exhibit "D". Said Exhibit "D" will be prepared and processed for approval by the parties and made a part hereof by supplement to this Agreement.
- (b) Ownership of said interlocking shall be vested in each party in accordance with the AAR Units to be indicated on Exhibit "C".
- (c) Any taxes or other charges assessed against said ownership shall be by CSXT and NSR in proportion to NYC's ownership (in the case of C) and PRR's ownership (in the case of NSR). The ownership of facilities installed by or for NSR (in the case of facilities vested in PRR) and CSXT (in the case of facilities vested in NYC) at its sole expense shall be vested in PRR and NYC, respectively, and either NSR or CSXT shall bear any taxes or other charges as may be assessed against said ownership.

#### ARTICLE 3. MAINTENANCE AND OPERATION OF CROSSOVER(S), CONNECTIONS AND INTERLOCKING

- (a) Each of NSR and CSXT shall maintain, repair, inspect and renew the respective crossovers, connecting trackage and turnouts on the right-of-way of PRR and NYC, respectively, within the limits of the interlocking, to be shown on Exhibit "D".
- (b) Signal maintenance, repair, and renewal and operation of the interlocking shall be under the sole charge and control of NSR, and it shall employ competent persons for such purposes. Each of NSR and CSXT shall at its sole cost and expense maintain all signal facilities and appurtenances in and along the tracks of PRR and NYC, respectively, outside of the limits of said interlocking as may be necessary to accommodate said interlocking.



- (c) Operation and control of the interlocking shall be conducted in a manner as to afford each of the parties the most economical and efficient movement of its traffic through the facility.

ARTICLE 4. DIVISION OF CROSSOVER(S), CONNECTIONS AND INTERLOCKING MAINTENANCE COST

- (a) The cost and expense of maintenance, repair, inspection and renewal of the existing crossovers, connecting trackage and turnouts, to be shown on Exhibit "D", within the interlocking limits will be at the sole cost of NSR, in the case of a crossover, connecting trackage and turnouts owned by PRR or located on PRR right-of-way, and of CSXT, in the case of a crossover, connecting trackage and turnouts owned by NYC or located on NYC right-of-way.
- (b) The expense of maintenance, repair, renewal and operation the interlocking, including cost of electrical current, shall be based on unit values as shown on Exhibit "B" and apportioned between NSR and CSXT as will be indicated on Exhibit "C".
- (c) In the event future changes are made in the interlocking, Exhibit "C" shall be revised following each such change in accordance with the principles set forth herein. After approval by the respective signal officers of NSR and CSXT, said revised Exhibit "C" shall be substituted for the then existing Exhibit "C" and shall be applicable from the effective date shown thereon.

ARTICLE 5. MAINTENANCE OF TRACKS

Each of NSR and CSXT shall, at its sole cost and expense, perform any and all track work on PRR lines (in the case of NSR) and NYC lines (in the case of CSXT) located outside of the interlocking limits, and make such changes in such tracks, and install, maintain and renew insulated joints and other appurtenances located in such tracks as may be required for the interlocking. Each of NSR and CSXT will keep the premises and the tracks free from interference and obstructions which may in any way affect the proper functioning of said interlocking.

ARTICLE 6. COMMUNICATION CHANGES

NSR and CSXT shall, at its sole cost and expense, make such changes in and adjustments to PRR (in the case of NSR) and NYC (in the case of CSXT) communication facilities as may be required for its operations and to accommodate the interlocking, and hereafter maintain said facilities at its sole expense.

ARTICLE 7. CHANGES TO INTERLOCKING

CSXT and NSR shall have the right to require track changes to tracks located within the interlocking limits and changes in the interlocking that do not impair the interlocking's efficiency, provided that such changes shall be made in accordance with plans which shall have been approved by the respective officers of NSR and CSXT. Any interlocking changes arising from changes made in

any existing track, or made to cover any future track or tracks NSR or CSXT may have the right to construct within the interlocking limits, or which may be required by reason of any changes made in the standard appliances or practices of NSR or CSXT, or which may be ordered by a lawfully constituted public authority shall be made by NSR. Unless otherwise agreed to by the parties NSR shall make changes to track owned by PRR and CSXT shall make changes to track owned by NYC. The cost of any track and interlocking changes shall be borne by the party requesting such changes or as agreed to by the parties. In those cases where the changes are mandated by any legally constituted public authority having jurisdiction over said interlocking, the cost of such changes shall be borne by the party or parties for whose benefit such changes are made.

ARTICLE 8. ELIMINATION OF CROSSOVER(S), CONNECTING TRACK(S) AND TURNOUTS

Subject to Article VIII of the CSXT Operating Agreement and the NSR Operating Agreement, NSR shall have the right to retire and eliminate existing or future crossings and/or connections of PRR track or tracks with the track or tracks of NYC within the limits of the interlocking and CSXT shall have the right to retire and eliminate existing or future crossings and/or connections of NYC track or tracks with the track or tracks of PRR within the limits of the interlocking, and the cost and expense to eliminate such crossover(s), connecting track(s) and turnout(s) shall be divided as follows:

- (a) Costs and expenses to effect a partial withdrawal shall be apportioned as provided in Article 7.
- (b) All costs, relating to removal of track, track appurtenances, signals and related facilities necessary to effect abandonment or complete withdrawal of either party from further use of this joint facility, shall be at the sole expense of the sponsoring party, and the salvage value derived therefrom shall be credited to NSR and CSXT in proportion to the ownership of the facility by PRR and NYC, respectively, subject to Article VIII of the NSR Operating Agreement and the CSXT Operating Agreement.
- (c) Costs and expenses necessary to rearrange the remaining facilities and provide necessary additional facilities for the continued operation of the remaining party shall be at the sole expense of the withdrawing party.

ARTICLE 9. TEMPORARY MANUAL PROTECTION

In the event it shall become necessary to assign forces at the herein referred to crossing(s) for the protection of train movements while the interlocking may be temporarily out of service, NSR shall do so, and the cost and expense of said forces and supplies furnished to them shall be divided and paid in the aforesaid division of maintenance cost. However, in case it is necessary to provide manual protection as a result of damage caused by any party hereto or at the request of any party for its sole benefit, such party shall exclusively bear the entire cost of the manual protection.

ARTICLE 10. ACCOUNTING

- (a) CSXT and NSR shall keep accurate accounts of all their costs incurred in installing, maintaining, repairing, renewing and operating the crossing(s)

and the interlocking. Such records shall be open at all reasonable times for audit and inspection for a period of three (3) years from date of billing.

- (b) Either party may, at any time subsequent to the execution of this Agreement and upon mutual agreement, establish flat rate billing, subject to revision from time to time, to cover the cost of maintaining the crossing(s) and the interlocking in lieu of rendering bills for the actual costs of such maintenance.

#### ARTICLE 11. BILLING AND PAYMENT

- (a) On or about the 15th day of each month, billing shall be rendered to cover the cost and expense of such accounts for the previous month. All payments called for under this Agreement shall be made within thirty (30) days of the date of the bills therefor.
- (b) Payment shall not be withheld for minor errors which may occasionally occur in railroad accounting; rather, an exception shall be noted and the overcharge or undercharge, as the case may be, shall be adjusted as promptly as possible in a subsequent monthly statement.
- (c) Bills for expenses incurred hereunder shall include direct labor and materials costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed.

#### ARTICLE 12. LIABILITY

- (a) For the purposes of this Article it is agreed that:
  - (i) All persons engaged in and all equipment and appliances used in the maintenance, repair, renewal, operation and removal of, or the making of changes, improvements or additions to the crossings, and the performance of any other work to be performed at the joint expense of the parties hereto shall be deemed to be the joint employees and the joint equipment of the parties.
  - (ii) All persons engaged in and all equipment and appliances used in the performance of work which pursuant to the terms of this Agreement is to be at the sole cost and expense of one of the parties hereto shall be deemed to be sole employees and sole equipment of the party for whom said work is performed.
  - (iii) Notwithstanding the provisions of Article 19(d) for the purpose of this Subarticle (a), the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated within the limits of the interlocking, and (iii) vehicles and machinery that, at the time of an occurrence, are within the limits of the interlocking or its right of way for the purpose of maintenance or repair thereof or the clearing of wrecks thereon.



- (b) Except as provided for in Article 8 (c) below, the responsibility and liability between the parties for any personal injury or death of any person (including employees of the parties and third persons); any real or personal property damage of any person (including property of the parties and third persons); any damage or destruction to the environment (including land, air, water, wildlife and vegetation); and all cleanup and remedial expenses, court costs and litigation expenses resulting from, arising out of, incidental to, or occurring in connection with this Agreement; all of which are collectively referred to as a "Loss", will be divided as follows:
- (i) If a Loss occurs while the crossing is being used solely by the trains and locomotives of either CSXT or NSR, then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.
  - (ii) If a Loss occurs while the crossing is being used by the trains and locomotives of both CSXT and NSR, then each is solely responsible for any Loss to its own employees, locomotives and equipment in its own accounts (including lading); and the parties are equally responsible for any Loss to all other property and any Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party causing the Loss is solely responsible.
  - (iii) For purposes of assigning responsibility for a Loss as between the parties hereto under this Agreement, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
  - (iv) Whenever any liability, cost or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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, malfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
  - (v) Notwithstanding the foregoing provisions, liability, costs and expenses for injury to or death of a joint employee and damages to or destruction of any joint equipment shall be borne equally by CSXT and NSR.
  - (vi) If any suit or action shall be brought against either party hereto for damages which under the provisions of this 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 and shall pay a proportionate part of the judgment and costs and expense incurred in such suit according to its liability assumed hereunder.

- (vii) In every case of death or injury suffered by an employee of either party hereto, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' 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; then 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.
- (c) Article 12(b) shall apply only to the amount of Loss resulting from a single incident which is \$25 million or less. Responsibility for Losses resulting from a single incident which exceed \$25 million shall be allocated to the extent of such excess to CSXT and NSR in proportion to their respective fault or negligence in causing such Loss, subject to the following rules: (1) the total amount of Loss for which each party would otherwise be responsible under Article 12(b) shall be determined, on a comparative percentage basis; (2) for each party, multiply \$25 million by the comparative percentage determined for that party in Article 12(c)(1); (3) the Loss for which each party is responsible in excess of the amount determined in Article 12(c)(2) shall be allocated between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. As used in this Article 12(c), the term "Loss" shall exclude consequential, indirect, incidental or other similar damage, injury or loss to either CSXT or NSR and claims for exemplary and punitive damages by any party hereto on its own behalf against another party hereto. By way of example, if a Loss from a single incident were \$100 million, of which CSXT would be responsible for \$80 million under Article 12(b) and NSR would be responsible for \$20 million under Article 12(b), then CSXT would be responsible for \$20 million and NSR would be responsible for \$5 million of such Loss under Article 12(c)(1), and the remaining \$75 million of Loss would be apportioned between or among CSXT and NSR in proportion to their respective fault or negligence in causing the Loss. Any dispute between or among the parties hereto in computing the comparative percentage, in determining their respective fault or negligence in causing the Loss or otherwise relating to their respective responsibilities for Loss arising out of, incidental to or occurring in connection with any such incident, including any Loss exceeding \$25 million, shall be submitted for resolution by binding arbitration pursuant to Article 14. The \$25 million amount referred to in this article 12(c) may be adjusted every five years following the date of this Agreement with the prior approval of all parties, which approval may be given or refused in sole discretion of each party.
- (d) Exceptions. Each part shall assume and bear all responsibility for Loss caused by acts or omissions of any of its employees while under the influence of druge or alcohol or by the intentional and criminal

misconduct of any such employee and Article 12(b) and (c) shall not apply to any such Loss.

#### ARTICLE 13. CLAIMS

- (a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.
- (b) Each party shall investigate, adjust and defend all cargo related liability claims filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (c) In the event a claim or suit is asserted against one of the parties hereto which is the other party's duty hereunder to investigate, adjust or defend, then unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) All costs and expense 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 herein, except that salaries or wages of full-time claim agents, full-time attorneys and full-time employees of either party engaged directly or indirectly in such work shall be borne by the employing party.
- (e) Excluding cargo related liability claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 exceeds \$35,000.00.
- (f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 12.
- (g) Each party hereto will indemnify and hold harmless the other party and its parent corporation, subsidiaries and affiliates, and all of 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, or lawsuits brought by on the behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Agreement and operations hereunder or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed and of grievances filed by its

own employees arising under its collective bargaining agreements with its employees.

#### ARTICLE 14. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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 15. TERM AND TERMINATION

- (a) This Agreement shall become effective as of the date first above written and shall remain in effect until the 25th anniversary of such date, and shall continue in effect thereafter unless and until terminated by mutual consent of the parties.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.
- (c) Termination of this Agreement shall not relieve or release either party hereto from any liability it may have incurred or any obligation which may have accrued under any provision of this Agreement prior to the effective date of termination.
- (d) This Agreement encompasses any and all understandings between the parties hereto as to the crossing(s) and interlocking at Berea, Ohio, and makes null and void any previous agreements between the parties or their predecessors covering said crossing(s) and interlocking.

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ARTICLE 16. GOVERNING LAWS

Each party hereto shall comply with all applicable laws, rules, regulations and orders promulgated by any government or governmental agency which affects this Agreement. If any fine, penalty, cost or charge is imposed or assessed on or against either party by reason of failure to so comply, the party so failing shall promptly reimburse and indemnify the other party and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees for or on account of such fine, penalty, cost or charge and all expenses incurred in connection therewith, and shall defend any action free of cost, charge or expense to the other party.

ARTICLE 17. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Neither party shall assign or transfer this Agreement or any of its rights hereunder to any person, firm or corporation, other than a successor, assignee, purchaser or transferor of all or substantially all the rail properties of the transferring party, without obtaining the prior written consent of the other party.

ARTICLE 18. NOTICES

All notices required to be given by either party to the other shall be in writing and addressed as follows:

To PRR: To be furnished

To NYC: To be furnished

To CSXT: Assistant Vice President-Joint Facilities  
CSX Transportation, Inc. J200  
500 Water Street  
Jacksonville, FL 32202

To NSR: Vice President Transportation  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

ARTICLE 19. 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, car 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.

ARTICLE 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to an indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

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

WITNESS:

PENNSYLVANIA LINES LLC

By: \_\_\_\_\_

Title

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

By: \_\_\_\_\_

Title

WITNESS:

CSX TRANSPORTATION, INC.

\_\_\_\_\_

By:

\_\_\_\_\_  
Title

WITNESS:

NEW YORK CENTRAL LLC

\_\_\_\_\_

By:

\_\_\_\_\_  
Title

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Recommended Table of Signal and Interlocking Units  
 and Interpretations  
 Revised 1993 (6 Pages) (SM1-3-2)

<u>Item No.</u>	<u>Description</u>	<u>Relative Unit Value</u>
<b>A. <u>Wayside Signal Devices</u></b>		
1.	Signal inoperative arm or light.....	1
2.	Signal complete with mast, blade or light.inoperative .	2
3.	*Signal, three aspects, semaphore or light.....	6
4.	*Signal, two aspects, semaphore or light.....	4
5.	*Signal, one aspect, semaphore or light.....	2
6.	*Signal, each additional aspect.....	2
7.	*Signal, mechanical operated, manual block, train order, or railroad grade crossing signal, two or three aspects.....	4
8.	*Smashboards, mechanical or power.....	4
9.	*Marker light, operated.....	2
10.	*Grade signal, semaphore or light.....	2
11.	Railroad grade crossing gate, per gate	
	(a) Mechanical.....	4
	(b) Power.....	6
<b>B. <u>Track, Switch and Derail Devices</u></b>		
1.	Switch with two points or derail	
	(a) Mechanical.....	4
	(b) Power.....	8
2.	Single slip switch with two points	
	(a) Mechanical.....	4
	(b) Power.....	8
3.	Double slip switch with four points	
	(a) Mechanical.....	8
	(b) Power.....	12
4.	Movable point frog with two points	
	(a) Mechanical.....	
	(b) Power.....	
5.	Movable point frog with four points	
	(a) Mechanical.....	8
	(b) Power.....	16
6.	Derail, pipe connected to switch and operated thereby..	4
7.	Spring switch	
	(a) Buffer.....	1
	(b) Mechanical facing point lock.....	4
8.	Switch and lock movement, mechanical.....	4
9.	Switch circuit controller, signal or highway grade crossing warning device.....	1

\* Each semaphore arm, light signal, or marker to be counted separately.



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10. Snow removal device, controlled or automatic,  
per pair of switch points.....2
11. Switch point helper
  - (a) Mechanical.....1
  - (b) Power.....4
- C. Movable Bridge Devices
  1. Facing point lock or movable bridge lock or rail lock
    - (a) Mechanical.....2
    - (b) Power.....6
  2. Facing point lock, or movable bridge lock or rail  
lock operated with another unit.....1
  3. Movable bridge circuit controller or pipe coupler
    - (a) Mechanical.....4
    - (b) Power.....8
  4. Movable bridge circuit controller or pipe coupler  
operated with another unit.....2
  5. Auxiliary circuit controller or movable bridge  
wedge, latch, lift rail, etc.....1
- D. Track Occupancy Detection Devices
  1. Non-coded track circuit (DC or AC/DC).....2
  2. Coded track circuit
    - (a) Relay equipment.....4
    - (b) Electronic equipment.....2
  3. Superimposed circuit on track circuit.....2
  4. Auxiliary track instrument for train detection.....2
  5. Motion sensitive track circuit to continuously  
detect rate of direction of motion (constant warning).10
  6. Motion sensitive track circuit to continuously detect  
direction of motion.....6
  7. Presence detector.....2
  8. Train control inductor or loop circuit.....1
  9. Bonded rail joints, per mile each rail.....1
- E. Locking Devices
  1. Electric lever lock applied to a mechanical lever.....1
  2. Electric lock on hand-operated switch or railroad  
crossing gate.....2
  3. Electric lock applied to units C.-1, C.-2. or B.-7.....1
  4. Manual operated time lock applied to a mechanical  
lever, hand operated switch and to units  
C.-1., C.-2. or B.-7.....1
- F. Highway Grade Crossing Warning Devices
  1. Signal, bell-type with or without reflectorized signs,  
per mast.....1
  2. Signal, flashing light type (one pair), with or without  
bell or reflectorized signs, per mast.....2
  3. Additional pair of flashing lights, illuminated  
"stop" sign, auxiliary illuminated sign or rotating  
"stop" disc.....1

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4.	Mechanical flagman (wig-wag).....	4
5.	Each automatic gate mechanism, air up to 26 ft.....	8
6.	Each automatic gate mechanism, arm over 26 ft.....	9
7.	Manual gate, per mast	
	(a) Mechanical.....	1
	(b) Power.....	2
G.	<u>Classification Yard Devices</u>	
1.	Car retarder including operating mechanism per rail foot of braking length per rail.....	1
2.	Weigh rail.....	1
3.	Radar unit.....	2
4.	Weather station.....	4
H.	<u>Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting</u>	
1.	Wayside track occupancy or switch position.....	2
2.	Yard track.....	4
3.	Third rail clearance, per instrument.....	2
4.	Switch or derail position, target or light.....	1
5.	Fence, slide or falling Rock, per 100 ft.....	2
6.	High water or fire, per installation.....	1
7.	Dragging equipment, per detector.....	2
8.	Clearance, high wide load.....	1
9.	Hot bearing or wheel, basic system.....	25
10.	Hot bearing or wheel enhanced system.....	40
11.	Automatic vehicle identification system.....	15
12.	Wheel sensor.....	1
13.	Wheel impact system.....	8
14.	Radio annunciator for train inspection.....	1
15.	Photo electric cell, per unit.....	1
I.	<u>Traffic Control Devices</u>	
1.	Lever including circuit, within interlocking.....	1
2.	Lever including circuits, between interlockings.....	2
3.	Code unit for remote control.....	1
4.	Carrier unit.....	1
5.	Radio data link.....	1
6.	Control operators work station.....	40
7.	Mechanical locking bed, per units of five levers.....	2
J.	<u>Back Up Power Supply Systems</u>	
1.	Generator, per increments of 15 KVA.....	1
2.	Solar panel system, per increments of 2 KVA.....	1
3.	Uninterrupted power supply system, per increments of 30 KVA.....	1
4.	Battery and charger, per set.....	1
K.	<u>Wires, Working Conductors (between instrument housings)</u>	
1.	Pole line open wire, two wires each circuit per mile...	2
2.	Aerial cable, one pair wires per mile.....	1
3.	Underground cable or wires, two pairs per mile.....	1

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**L. Miscellaneous Devices**

1. Operations recorder or data logger.....2
2. Air compressor for switch and retarder control.....2

**INTERPRETATIONS**

**A. Wayside Signal Devices:**

1. Signal inoperative air, or light: an inoperative air, light or marker on a mast on which there are operative arms and for which no separate control is required.
2. Signal, complete with mast, blade, or light inoperative: a signal mast on which there are no operative arms and all arms, lights or markers being in a fixed position.
3. Signal, three aspects, semaphore or light: a three-position signal, such as a signal displaying red, yellow, or green aspect; which aspect has a value of 2 units.
4. Signal, two aspects, semaphore or light: a two-position signal, such as a signal displaying red or green aspect; each aspect has a value of 2 units.
5. Signal, one aspect, semaphore or light: a one-position operative signal.
6. Signal, each additional aspect where there may be a four position signal; that is, one displaying red, yellow, green or lunar white, or one displaying red, yellow, flashing yellow or green or one displaying four rows of lights. No aspect should be counted twice unless it is displayed both steady and flashing.
9. Marker light, operated: a separate control with marker light displayed.

**B. Track, switch and Derail Devices:**

6. Derail, pipe connected to switch and operated thereby: derail and pipe connections only. Does not include the switch machine.
8. Switch and lock movement, mechanical: a switch operating mechanism usually applied to hand-operated switch or derail.

**D. Track Occupancy Detection Devices:**

1. Non-coded track circuit: includes continuous AC, DC or audio frequency track circuit.
2. Coded track circuit: a coded track circuit, AC or DC or

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Part 1.3.2

audio frequency regardless of the number of codes. Reversal of coded track for movement in opposite direction where same equipment is used does not change unit value. Where duplicate equipment is used in reversing track circuits, then each direction will count separately. Where coded AC also provides cab signal current, it is considered part of coded track circuit if the frequency is the same.

3. Superimposed circuit on track circuit: additional form of energy superimposed on a track circuit.

**F. Highway Grade Crossing Warning Devices:**

2. Highway grade crossing signal, flashing light type (one pair of flashing lights), with or without bell or reflectorized signs, per mast. A mast with two flashing light units only in the direction of traffic, with or without inoperative auxiliary signs, and takes into consideration control circuits.
3. Additional pair of flashing lights, illuminated STOP sign, auxiliary illuminated sign or rotating STOP disc: a pair of blacklights, an extra crossarm with one pair of lights or illuminated NO TURN sign.
5. Each automatic gate mechanism arm up to 26 ft.: includes light or lights attached.
6. Each automatic gate mechanism arm over 26 ft.: includes light or light attached.

**I. Traffic Control Device:**

1. Lever including circuit within interlocking: the traffic lever that checks the movement of the train through the interlocking at the time it is being made. Not tied in with adjacent interlockings.
2. Lever, including circuits between interlockings: the traffic lever and associated circuits check the block and opposing signals at the next interlocking/block station.

This lever and associated circuits hold traffic in one direction until the route for which they were established is clear.

**H. Indicators and Enhanced Hot Bearing Detector Devices - Including Data Transmission and Office Central Reporting**

10. Hot bearing or wheel enhanced systems: includes data transmission and office central reporting.



NOTE: The Railroad System's Insignia, if required, shall be printed in upper left-hand of form.

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1997, by and between Norfolk Southern Railway Company, including its subsidiaries and affiliates, a Virginia corporation (hereinafter referred to as "NSR"), CSX Transportation, Inc., a Virginia corporation (hereinafter referred to as "CSXT"), Pennsylvania Lines LLC, a Delaware limited liability company (hereinafter referred to as "PRR") and New York Central LLC, a Delaware limited liability company (hereinafter referred to as "NYC");

**WITNESSETH:**

**WHEREAS**, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

**WHEREAS**, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

**WHEREAS**, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an

Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

**WHEREAS**, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR; and

**WHEREAS**, under provisions of the Transaction Agreement, CSXT will have use of and access to forty-two percent (42%) of the total ground storage, throughput, and tonnage capacity of the Ashtabula Harbor facilities at Ashtabula, Ohio; and

**WHEREAS**, the Ashtabula Harbor facilities are owned by PRR and operated by NSR under the NSR Operating Agreement; and

**WHEREAS**, for operating efficiencies, the parties desire that NSR switch cars to and from the Ashtabula Harbor at Ashtabula, Ohio for the accounts of CSXT and NSR;

**NOW, THEREFORE**, the parties hereto do mutually agree as follows:

**SECTION 1.      USAGE OF ASHTABULA HARBOR FACILITIES**

- (a) CSXT will have use of and access to forty-two percent (42%) of the total ground storage, throughput and tonnage capacity of the Ashtabula Harbor facilities at Ashtabula, Ohio.
- (b) Subject to (a), NSR shall make available all Ashtabula Harbor facilities for use by CSXT on a fair and equal basis. Specifically, but not by way of limitation, all ancillary charges - such as dumping charges and the like - shall be cost-based including labor additives (with no profit mark-up) and shall be equalized as between NSR and CSXT.
- (c) CSXT may enter and exit the Ashtabula Harbor facilities through any rail-equipped entrance and exit and in full parity with NSR, which shall conduct any and all switching operations on a fair and equal access basis as between NSR and CSXT.
- (d) The provisions of this Section 1 are separable from the remaining provisions of this Agreement and shall apply regardless of the extent to which NSR performs switching for CSXT hereunder.



**SECTION 2.        INDUSTRY SWITCHING**

- (a) NSR, acting as agent for CSXT, will perform switching of cars to and from Ashtabula Harbor, (hereinafter referred to as "Industry"), for the account of CSXT, and provide services as necessary to handle such traffic between said Industry and mutually agreed upon trackage at Ashtabula Harbor, Ohio. NSR will use its own crews and locomotives to perform said services.
- (b) For revenue purposes, cars switched under this Agreement shall remain in the account of CSXT, and NSR shall not be entitled to any line haul revenue for the handling of such cars, nor appear in any rates, routes or divisions pertaining to any cars in the account of CSXT, except as specified in Section 6 hereof.
- (c) CSXT shall assume its own car hire expenses, and NSR shall assess and collect all related demurrage charges.

**SECTION 3.        DELIVERY AND RECEIPT OF CARS**

- (a) Cars handled under this Agreement shall be considered as having been delivered by one party to the other when placed on mutually agreed upon trackage designated for such deliveries, accompanied or preceded by the necessary data for forwarding and to insure delivery

and acceptance by the designated representative of the receiving road.

- (b) NSR and CSXT shall provide each other with suitable information (which may be transferred by paper documents, facsimiles, or electronic means, or by other means, as mutually agreed) necessary for the handling of cars switched under this Agreement, which will identify for each car:

- (1) Car initial and number.
- (2) Loaded or empty.
- (3) Destination station and consignee on inbound movements.
- (4) Origin and shipper as supplied by the shipper on outbound movements.
- (5) All required hazardous materials information.
- (6) Any other information as agreed between the parties to be necessary or convenient for the safe, efficient movements of cars switched under terms of this Agreement.

- (c) NSR may make repairs to cars switched under terms of this Agreement as may be necessary for safe transit, and NSR may make adjustments to or transfers of lading from crippled, defective or overloaded cars, as in its determination may be necessary to safely move said cars. CSXT shall reimburse NSR its full cost for

repairs, adjustments and lading transfers promptly upon receipt of billing therefor.

**SECTION 4.        INSPECTION**

NSR shall not be responsible for making any mechanical inspection of cars in the account of CSXT switched to and from the industry.

**SECTION 5.        INTERRUPTION, DELAY**

In the event the use of trackage in performing the referenced switching services shall be interrupted or traffic delayed at any time from any cause, neither party shall have any claim against the other party for liability of any kind from such interruption or delay.

**SECTION 6.        COMPENSATION**

(a) CSXT shall pay NSR a mutually agreed upon rate for each loaded car handled by NSR for the account of CSXT to and from the Industry for the first six months from the effective date of this Agreement. After said six months, NSR and CSXT will jointly conduct a study to determine NSR's actual cost of handling cars in the account of CSXT to and from the Industry, and the agreed upon rate, hereinafter referred to as the

"Current Charge", will be retroactive to the effective date of this Agreement.

- (b) At the option of either party hereto the Current Charge shall be open to renegotiation every five (5) years from the effective date of this Agreement. In the event the parties fail to reach agreement upon such renegotiation, such failure shall not constitute a breach of this Agreement and the parties shall continue to be bound by the terms of compensation provided in this Section 6 until the matter is settled or submitted to binding arbitration as provided in Section 9.
- (c) The Current Charge shall be revised upward or downward each year, beginning with the bill rendered during the first month of July following the effective date of this Agreement, to compensate for the increase or decrease in the cost of labor and material, including fuel, as reflected in the "Annual Indexes of Charge-Out Prices and Wage Rates (1977=100)", included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads, hereinafter called "AAR". In making such determination, the final "Material prices, wage rates and supplements combined (including fuel)" indexes for the East District shall be used.



- (d) The Current Charge shall be revised by calculating the percentage of increase or decrease in the index of the latest calendar year as related to the index for the previous calendar year and applying that percentage to the Current Charge.
- (e) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (including fuel)" final index figure for 1996; "B" to be the "Material prices, wage rates and supplements combined (including fuel)" final index figures for 1997; "C" to be the Current Charge; and "D" to be the percentage of increase or decrease the revised Current Charge would be determined by the following calculations:

$$(1) \quad \frac{(B-A)}{A} = D$$

$$(2) \quad (C \times D) + C = \text{revised Current Charge rounded to the nearest cent, effective July 1 of the year being revised.}$$

- (f) In the event the base for the "Annual Indexes of Chargeout 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 the "Annual Indexes of Chargeout Prices and Wage Rates", an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto.

In the absence of agreement, the parties shall submit the matter to arbitration.

- (g) NSR shall keep and maintain an accurate account of all loaded cars handled by it for the account of CSXT, and shall at the end of each month, render an itemized bill, computed in accordance with the provisions herein, to CSXT for payment.
- (h) CSXT shall pay within thirty (30) days from receipt thereof, and any errors or omissions in such bills shall be adjusted in subsequent billing.
- (i) The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party.

#### SECTION 7.      LIABILITY

Except as provided in Subsection (n) below, the responsibility between the parties hereto for loss of, damage to, and destruction of any property whatsoever and injury to and death of any person or persons whomsoever, resulting from, arising out of, incidental to or occurring in connection with this Agreement, hereinafter referred to as a Loss, shall be apportioned as follows without regard to consideration of fault or negligence:

- (a) Whenever a Loss occurs with only one train operated by NSR being involved and such train is handling cars, empty or loaded, in only CSXT's account or cars in CSXT's account as well as cars in NSR's account; then each party hereto agrees to assume and bear all liability, cost and expense for all cars, both empty and loaded, including lading, in its own account being handled in such train, and the parties hereto further agree that injury to or death of any person or persons whomsoever and loss, damage or destruction of all other property, including without limitation, the train(s), locomotive(s), equipment or trackage, so occurring shall be either: (i) borne solely by CSXT if the train is handling only CSXT cars, or (ii) borne solely by each party hereto in proportion to the number of cars, both empty and loaded, which each party hereto has in its own account in such train, if the train is handling cars in the accounts of both parties hereto.
- (b) Whenever a Loss occurs with more than one train operated by NSR being involved and any or all of such trains are handling only CSXT cars or CSXT cars as well as cars in NSR's account; then each party hereto agrees to assume and bear all liability, cost and expense for all cars, empty and loaded, including lading, in its own account handled in such trains, and the parties

further agree that injury to or death of any person or persons whomsoever and loss, damage or destruction of all other property, including, without limitation, trains, locomotives, equipment or trackage, so occurring shall be borne as follows: total liability, cost and expense arising not otherwise borne separately by the parties as provided above shall be first equally divided by the number of trains involved and then (i) that portion of said liability, cost and expense apportioned to any train(s) which is (are) handling cars, both empty and loaded, only the account of CSXT shall be borne solely by CSXT, (ii) that portion of said liability, cost and expense apportioned to any train(s) which is (are) handling only NSR cars shall be borne solely by NSR, and (iii) that portion of said train(s) handling cars, both empty and loaded, in the accounts of both parties shall be shared and borne by each party hereto in proportion to the number of cars, both empty and loaded, which each party has in its own account in each such train.

- (c) Whenever a Loss occurs with the train(s) of NSR and another railroad or other company that is not a party to this Agreement being involved and any of such NSR train(s) is (are) handling only CSXT cars, and/or CSXT cars as well as cars in NSR's account; then each party



hereto agrees to assume and bear all liability, cost and expense for all cars, both empty and loaded, including lading, in its own account handled in the NSR train(s), and the parties hereto further agree as between themselves that all other liability, cost and expense incurred by NSR as a result thereof shall be shared by both parties hereto in proportion to the total number of cars, both empty and loaded, which each party has in its own account in the NSR trains so involved, excluding any cost and expense paid by said other railroad.

- (d) Notwithstanding any of the foregoing provisions of this Section, when any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife and vegetation, occurs with one or more trains of NSR being involved, and any or all of such trains are handling only CSXT cars or CSXT cars as well as cars in NSR's account, then, as between themselves: (i) CSXT shall be solely responsible for any such damage or destruction to the environment which results solely from a substance which was being transported in the car or cars of, or in the account of CSXT, and from which there was a release; (ii) NSR shall be solely responsible for any such damage or destruction to the environment which results solely

from a substance which was being transported in the car or cars of NSR, and from which there was a release; and (iii) responsibility for any such damage or destruction to the environment which results from a substance in the cars of, or in cars in the account of, both CSXT and NSR from which there was a release shall be shared by both parties hereto in proportion to the total number of cars which each party had in its accounts, containing the same substance and from which there was a release.

(e) In every case of death or injury suffered by an employee of CSXT or NSR, when compensation to such employee or employee's dependents is required to be paid under any present or future state or federal workmen's compensation, occupational disease, employers' liability or other law, and CSXT under provisions of this Agreement, is required to pay same or a portion of same in installments over a period of time, CSXT shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) NSR agrees that it will, upon request from CSXT, institute or defend, in CSXT's name, any action

relating to a claim for loss, damage, destruction, injury or death. CSXT agrees to indemnify NSR and save it harmless from any loss, costs, expenses and legal fees incurred by NSR instituting or defending any such action in its name, or on behalf of CSXT.

- (g) Each party hereto agrees to indemnify and save harmless the other party hereto from and against all liabilities, costs and expenses which it has agreed to assume under this Section. Furthermore, each party hereto agrees to indemnify and save harmless the other party for any legal fees, arbitration expenses and awards or expenses incurred by the indemnifying party in connection with any liability, cost and expense assumed by the other party hereto in this Section.
- (h) NSR shall notify CSXT of any accident, or incident which results in or could result in an action, claim, suit or demand against CSXT by NSR or any third party or which results in or could result in any indemnification or claim for indemnification by NSR against CSXT. Such notice shall include all available details with respect to time, place and circumstances and details of all investigations made.
- (i) Locomotives shall be considered as performing switching service on behalf of CSXT when such locomotives are coupled to a train containing CSXT cars.

- (j) Whenever circumstances require wrecking service or wrecking train service in connection with the switching subject of this Agreement, NSR shall perform such service as promptly as possible, and the cost thereof shall be borne as provided in this Section.
- (k) Each party will investigate, adjust and defend all cargo related claim liability filed with it in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, or in accordance with any applicable transportation contract filed pursuant to 49 U.S.C. Section 10709.
- (l) 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 agents, full-time attorney's and other full-time employees of either party engaged directly or indirectly in such work shall be borne by such party.
- (m) Excluding cargo related claim liability filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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 in the



consideration for such settlement or compromise exceeds Thirty-Five Thousand Dollars (\$35,000).

- (n) The provisions set forth in Subsections 12 a through m, allocating liability between the parties or providing for indemnity shall not apply to any incident in which the total liability for damage to property and equipment of the parties, for damage to property of others, for death or personal injury to employees of the parties or other persons, for clean up or remediation of environmental damage, and for other damage to the environment including damage to natural resources, and all legal fees and expenses associated with such liability ("Total Costs") exceed \$25 million.
  - (i) In the event an incident occurs in which one or both of the parties assert that Total Costs will exceed \$25 million, such party or parties shall promptly notify the other party.
  - (ii) All issues concerning liability and allocation of damages shall be submitted under principals of comparative fault to binding arbitration as set forth in Section 9.
  - (iii) In all incidents involving a release of the contents of a car into the environment, the carrier in whose account the car is at the time of the incident will be responsible, as between

the parties, for any allocation based upon a defective or otherwise not serviceable condition of the car which causes or contributes to the release.

**SECTION 8.            EMPLOYEE CLAIMS**

Each party agrees to indemnify and hold harmless the other party 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, either pursuant to employee protective conditions imposed by a governmental agency as conditions for that agency's approval of this Agreement and operations hereunder, or 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 employees arising under its collective bargaining agreements with its employees.

**SECTION 9.            ARBITRATION**

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the

American Arbitration Association. 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. 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 of the arbitrator.

**SECTION 10.      TERM AND TERMINATION**

- (a) This Agreement shall take effect on the day and year first above written and continue in full force and effect for one twenty-five (25) year period and continue thereafter year to year until terminated by mutual consent of the parties hereto.
- (b) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to

termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.

- (c) 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.
- (d) In the event CSXT and/or Industry becomes dissatisfied with the level of service provided to Industry under terms of this Agreement, CSXT may serve written notice to NSR, and NSR and CSXT shall attempt to resolve such



service to a level satisfactory to all parties. If such service cannot be restored to a level satisfactory to all parties within sixty (60) days following issuance of the hereinabove referenced written notice, CSXT may serve thirty (30) days written notice of termination of this Agreement, and thereafter directly serve Industry under terms of an existing trackage rights agreement.

**SECTION 11.      SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and be binding upon the successors and assigns 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.

**SECTION 12.      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 sent by certified mail, or by such other means as the parties may mutually agree, and shall be addressed as follows:

- (a) If to NSR:

Vice President Transportation & Mechanical  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, Virginia 23510-2191

- (b) If to CSXT:

Assistant Vice President - Joint Facilities  
CSX Transportation, Inc. J200  
500 Water Street  
Jacksonville, Florida 32202

- (c) If to PRR: TO BE PROVIDED

- (d) If to NYC: TO BE PROVIDED

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

#### SECTION 13. GENERAL PROVISIONS

- (a) This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the parties hereto.
- (b) All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.
- (c) This Agreement and the attachments annexed hereto and integrated herewith contains the entire agreement of

the parties hereto and supersedes any and all oral understandings between the parties with respect to the subject matter hereof.

- (d) No term or provisions of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.
- (e) 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.

#### **SECTION 14.      CONFIDENTIALITY**

Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a party hereto to enforce its rights under this Agreement, during the term of this Agreement and during three (3) years after termination of this Agreement, the terms and provisions of this Agreement and all information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either CSXT or NSR to any party other than each party's respective parent corporation, subsidiaries and affiliates, and their respective directors, officers, agents,

employees and attorneys, without the prior written approval of the other party.

**SECTION 15.        INDEMNITY COVERAGE**

As part of the consideration hereof, each party hereby agrees that all of its indemnity commitments in this Agreement in favor of the other party shall also extend to and indemnify the parent corporation, the subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

**SECTION 16.        FORCE MAJEURE**

NSR shall not be responsible to CSXT 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.



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

WITNESS

CSX TRANSPORTATION, INC.

\_\_\_\_\_

\_\_\_\_\_  
AVP - Joint Facilities

WITNESS

NORFOLK SOUTHERN RAILWAY COMPANY

\_\_\_\_\_

\_\_\_\_\_  
Title

WITNESS

PENNSYLVANIA LINES LLC

\_\_\_\_\_

\_\_\_\_\_  
Title

WITNESS

NEW YORK CENTRAL LLC

\_\_\_\_\_

\_\_\_\_\_  
Title

A:\SWTASHT  
June 17, 1997 (5:45pm)

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JOINT USE AGREEMENT

**THIS AGREEMENT**, entered into as of this \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_ by and between CSX TRANSPORTATION, INC., a Virginia corporation, (hereinafter referred to as "CSXT"), NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation, including its subsidiaries and affiliates (hereinafter referred to as "NSR"); PENNSYLVANIA LINES LLC, a Delaware limited liability company, hereinafter referred to as "PRR" and NEW YORK CENTRAL LLC, a Delaware limited liability company, hereinafter referred to as "NYC";

**WITNESSTH;**

**WHEREAS**, CSX Corporation ("CSX"), parent to CSXT, and Norfolk Southern Corporation ("NSC"), parent to NSR, have entered into a Transaction Agreement (the "Transaction Agreement") between themselves; CSXT, a wholly-owned subsidiary of CSX; NSR; Conrail, Inc. ("CRR"); Consolidated Railroad Corporation ("CRC"), a wholly-owned subsidiary of CRR; and CRR Holdings LLC; and

**WHEREAS**, CSX and NSC have indirectly acquired all the outstanding capital stock of CRR; and

**WHEREAS**, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to NYC, which is a wholly-owned subsidiary of CRC, to be operated by CSXT under the terms of an Allocated Assets Operating Agreement (the "CSXT Operating Agreement") between NYC and CSXT; and

**WHEREAS**, pursuant to the Transaction Agreement, certain assets of CRC have been allocated to PRR, which is a wholly-owned subsidiary of CRC, to be operated by NSR under the terms of an

Allocated Assets Operating Agreement (the "NSR Operating Agreement") between PRR and NSR; and

**WHEREAS**, in the interest of having competitive access to various points served by CSXT and NSR under the CSXT Operating Agreement and the NSR Operating Agreement, respectively, and in the interest of economy and efficiency of operations; the parties hereto desire to enter into a Joint Use Agreement.

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

**SECTION 1. DESCRIPTION:**

NYC, as owner, and CSXT, as operator, hereby grant to NSR, subject to the terms and conditions hereinafter specified, the right to occupy NYC's Seneca Yard, Lackawanna, New York. Such occupancy shall be limited to the operation by NSR, with its own crews, of NSR's trains carrying cars in interchange between NSR and the South Buffalo Railway Company (SB). NSR shall be authorized access to and from Seneca Yard via such trackage and routes of CSXT as the parties shall mutually agree upon in further negotiations. All trackage of CSXT used by NSR in CSXT's Seneca Yard and adjacent thereto shall be known as "CSXT's Trackage".

**SECTION 2. RESTRICTION ON USE:**

NSR's use of CSXT's Seneca Yard shall at all times be governed by the instructions of CSXT's Seneca Yardmaster or designated operating officer in charge of Seneca yard. Trackage to be used by NSR shall be designated by the aforesaid CSXT representative at the time of movement. Movements of NSR shall contain only cars being interchanged between NSR and SB. It shall be the responsibility of NSR to make such interchange arrangements with SB as will not cause unreasonable interruption to CSXT's operations. NSR's traffic to and from SB shall be placed in the minimum number of tracks possible to avoid the need for excessive doubling. Except in emergency, traffic of NSR to or from SB shall not occupy any yard track for more than twenty-four (24) hours.

### **SECTION 3. COMPENSATION:**

NSR shall pay CSXT monthly in advance, a sum to be mutually agreed upon for the joint use herein authorized, hereinafter called "Joint Use Charge". This amount is based upon NSR's projected use of CSXT's Seneca Yard trackage and access trackage, such usage to be mutually decided upon at a later date. The intent is that CSXT be adequately compensated for maintenance, repair, renewal and replacement of trackage used in part for benefit of NSR, and for CSXT's foregone value of alternative usage. NSR shall on or about the fifteenth (15<sup>th</sup>) day of each month, send CSXT a statement of NSR's previous month's use of NYC's Seneca yard trackage together with the aforesaid monthly payment. At such time as the Association of American Railroads may define standard reporting procedures of joint yard usage, NSR will provide its



usage statement of all loaded and empty cars in EDI format. The minimal data requirements will be mutually agreed upon by the parties.

**SECTION 4. REVISION OF JOINT USE CHARGE:**

(a) The Joint Use Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs as hereinafter provided.

(b) The Joint Use Charge shall be revised upward or downward each year, beginning with the bill rendered for the month of July first following the "Effective Date" of this Agreement, to compensate for the increase or decrease in the cost of labor and material, excluding fuel, as reflected in the annual Indexes of Charge-Out Prices and Wage Rates (1977=100), included in "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads ("AAR"). In making such determination, the Final "Material prices, wage rates and supplements combined (excluding fuel)" indexes for the East District shall be used. The Joint Use Charge shall be revised by calculating the percent of increase or decrease in the index for the latest calendar year as related to the index for the previous calendar year and applying that percentage to the Joint Use Charge.

(c) 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 Indexes of Charge-Out Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto. In the absence of agreement, the parties shall submit the matter to binding arbitration as hereinafter specified.

(d) At the option of either party hereto, the compensation provided for in this Agreement shall be open for renegotiation every five (5) years from the Effective Date, as hereinafter defined. In the event the parties fail to reach agreement upon such renegotiation, such failure shall not constitute a breach of this Agreement, and the parties shall continue to be bound by the terms of compensation provided in this Agreement until the matter is settled or submitted to binding arbitration.

**SECTION 5. TERM AND TERMINATION:**

(a) This Agreement shall become effective the latter of the date first above written, or when regulatory approval is received, the date of such approval following the expiration of any time periods required by the issuance of labor notices by CSXT ("Effective Date").

(b) This Agreement shall continue in full force and effect for a period of twenty-five (25) years from the Effective Date and continue thereafter until terminated by mutual consent.

(c) The rights, benefits, duties and obligations running from or to NSR under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the NSR Operating Agreement (including any renewals thereof) and the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall in all events expire (except liabilities incurred prior to termination) upon the earlier of (i) termination of this Agreement or (ii) termination of the CSXT Operating Agreement (including any renewals thereof); provided, however, that upon termination of the NSR Operating Agreement, the rights, benefits, duties and obligations running from or to NSR under this Agreement shall run from or to PRR and upon termination of the CSXT Operating Agreement, the rights, benefits, duties and obligations running from or to CSXT under this Agreement shall run from or to NYC.

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

**SECTION 6. USE OF CSXT'S TRACKAGE**

- (a) NSR's use of the NYC's Trackage shall be in common with CSXT and any other user of the NYC's Trackage, and CSXT's right to use the NYC's Trackage shall not be diminished by this Agreement. CSXT, with the consent of NYC, shall retain the exclusive right to grant to other persons rights of any nature in the NYC's Trackage.
- (b) CSXT shall have exclusive control of the management and operation of the NYC's Trackage. NSR shall not have any claim against CSXT for liability account of loss or damage of any kind in the event the use of the NYC's Trackage by NSR is interrupted or delayed at any time from any cause.



## **SECTION 7. MISCELLANEOUS SPECIAL PROVISIONS**

- (a) When operating over the NYC's Trackage, NSR's locomotives and crews will be equipped to communicate with CSXT on radio frequencies normally used by CSXT in directing train movements on the NYC's Trackage.
- (b) Procedures for qualification and occupancy of the NYC's Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of CSXT's representative or his designee.
- (c) Before its locomotives enter onto NYC's trackage, NSR shall request permission from CSXT's dispatcher or other designated representative at Seneca Yard or such other location as CSXT may designate. Further, NSR shall ascertain that said trackage is clear and shall await confirmation from said representative that such permission has been issued to allow NSR's movements on or over NYC's trackage. Upon completing its operations and clearing NYC's trackage, NSR will notify CSXT's designated representative that it has completed its operations and that its equipment has cleared NYC's trackage. Once NSR has notified CSXT's representatives that it has cleared NYC's trackage, NSR shall not reenter NYC's trackage without again obtaining permission from CSXT's representative. NSR shall provide and maintain at its expense all communication facilities needed and as may be required by CSXT to permit NSR to use NYC's trackage.

#### **SECTION 8. PAYMENT OF BILLS**

- (a) All payments called for under this Agreement shall be made by NSR 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 pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party for a period of three (3) years from the date of billing.
- (b) Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 3, shall include direct labor and material costs, together with the surcharges, overhead percentages and equipment rentals as specified by CSXT at the time any work is performed by CSXT for NSR, or shall include actual costs and expense, upon mutual consent of the parties.

#### **SECTION 9. MAINTENANCE OF NYC'S TRACKAGE**

- (a) CSXT shall maintain, repair and renew the NYC's Trackage with its own supervision and labor. CSXT shall keep and maintain the NYC's Trackage in reasonably good condition for the use herein contemplated, but CSXT does not guarantee the

condition of the NYC's Trackage or that operations thereover will not be interrupted. CSXT shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, NSR shall not by reason of failure or neglect on the part of CSXT to maintain, repair or renew the NYC's Trackage, have or make any claim or demand against CSXT 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 NSR resulting from any such failure or neglect.

- (b) CSXT shall perform, at the expense of NSR, such additional maintenance as NSR may reasonably require or request.

**SECTION 10. CONSTRUCTION AND MAINTENANCE OF NEW CONNECTIONS**

- (a) Existing connections or facilities which are jointly used by the parties hereto under existing agreements shall continue to be maintained, repaired and renewed by and at the expense of the party or parties responsible for such maintenance, repair and renewal under such agreements.
- (b) If, in the opinion of NSR, a new or upgraded connection is required on NYC's trackage, or, if in the opinion of NSR, other upgrading, including but not limited to switches, power switches, signals, communications, etc., is required for operational efficiency, then CSXT will, subject to its own

operational needs, cooperate and NSR will be responsible for funding that construction/upgrading at actual cost or a cost mutually agreed to by CSXT and NSR. Such construction/upgrading shall be progressed as follows:

- (i) NSR or others shall furnish all labor and material and shall construct such portions of the tracks located on the right-of-way of PRR or others which connect the respective lines of the parties hereto.
- (ii) CSXT shall furnish all labor and material and shall construct such portions of the tracks located on the right-of-way of NYC which connect the respective lines of the parties hereto. Upon termination of this Agreement, subject to Article VIII of the CSXT Operating Agreement, CSXT may remove portion of trackage and appurtenances located on right-of-way of NYC, constructed as a result of this Article, at the sole cost and expense of NSR. The salvage material removed shall be released to NSR or, as otherwise agreed upon, CSXT will credit NSR the current fair market value for said salvage.
- (iii) CSXT will maintain, repair and renew the constructed/upgraded portions of the tracks located on the right of way of NYC which connect the respective lines of NYC and PRR at the sole cost and expense of NSR.



**SECTION 11. ADDITIONS, RETIREMENTS AND ALTERATIONS**

- (a) Subject to Articles VII and VIII of the CSXT Operating Agreement, CSXT, from time to time and at its sole cost and expense, may make changes in, additions and betterments to or retirements from the NYC's 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.
  
- (b) If the parties agree that changes in or additions and betterments to the NYC's Trackage, including changes in communication or signal facilities, are required to accommodate NSR's operations beyond that required by CSXT to accommodate its operations, CSXT shall construct the additional or altered facilities and NSR shall pay to CSXT the cost thereof, including the annual expense of maintaining, repairing and renewing such additional or altered facilities.

**SECTION 12. MANAGEMENT AND OPERATIONS**

- (a) NSR 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 CSXT's Trackage. NSR shall indemnify, protect, defend, and save harmless CSXT 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 CSXT 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 NSR to comply with its obligations in this regard.

- (b) NSR in its use of the NYC's Trackage shall comply in all respects with the safety rules, operating rules and other regulations of CSXT, and the movement of NSR's trains, locomotives, cars, and equipment over the NYC's Trackage shall at all times be subject to the orders of the transportation officers of CSXT. NSR's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the NYC's 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 maximum authorized freight speeds as provided by CSXT's operating rules and regulations without the prior consent of CSXT.

- (c) NSR shall make such arrangements with CSXT as may be required to have all of its employees who shall operate its trains, locomotives, cars and equipment over the NYC's Trackage qualified for operation thereover, and NSR shall pay to CSXT, upon receipt of bills therefor, any cost incurred by CSXT in connection with the qualification of such employees of NSR, as well as the cost of pilots furnished by CSXT, until such time as such employees are deemed by the appropriate examining officer of CSXT to be properly qualified for operation as herein contemplated.
- (d) In the event of any investigation or hearing concerning the violation of any operating rule or practice by NSR's employees while on NYC's trackage, NSR shall be notified in advance of any such investigation or hearing, and such investigation or hearing may be attended by any official designated by NSR, and any such investigation or hearing shall be conducted in accordance with the collective bargaining agreements, if any, that pertain to NSR's employee or employees required to attend such hearings.
- (e) CSXT shall have the right to exclude from its trackage any employee of NSR determined by above, to be in violation of CSXT's rules, regulations, orders, practices, or instructions issued by CSXT's Timetable or otherwise. NSR shall release, indemnify, defend, and save harmless CSXT and its parent corporation, subsidiaries and affiliates, and all of their

respective directors, officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

- (f) The trains, locomotives, cars and equipment of NSR, CSXT, and any other present or future user of the NYC's Trackage or any portion thereof, shall be operated without prejudice or partiality to either party and in such manner as will afford the most economical and efficient manner of movement of all traffic.
- (g) In the event that a train of NSR shall be forced to stop on the NYC's Trackage, and such stoppage is due to insufficient hours of service remaining among NSR's crew, or due to mechanical failure of NSR'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 NSR fails to maintain the speed required by CSXT on the NYC's Trackage, or if in emergencies, crippled or otherwise defective cars are set out of NSR's trains on the NYC's Trackage, CSXT shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew NSR'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 NYC's Trackage, and NSR shall reimburse CSXT for the cost of rendering any such assistance.



- (h) 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 NYC's Trackage, such work shall be done by CSXT, and NSR shall reimburse CSXT for the cost thereof.
- (i) In the event CSXT and NSR agree that CSXT should retain employees or provide additional employees for the sole benefit of NSR, the parties hereto shall enter into a separate agreement under which NSR 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 CSXT and which would not have been incurred had the retained or additional employees not been provided.

**SECTION 13. MILEAGE AND CAR HIRE**

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

**SECTION 14. CLEARING OF WRECKS**

Whenever NSR's use of the NYC's Trackage requires rerailing, wrecking service or wrecking train service, CSXT 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 Section 15 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which is owned by or under the management and control of or used by NSR at the time of such wreck, shall be promptly delivered to it.

#### **SECTION 15. LIABILITY**

Except as provided in subarticle (j) below, the responsibility and liability between the parties for: (i) any personal injury or death of any person (including employees of the parties and third persons), (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 NYC's Trackage by either party as described herein, all of which are collectively referred to as a "Loss", will be divided as follows:

- (a) If a Loss occurs while the NYC's Trackage is being used solely by the trains and locomotives of either CSXT or NSR,

then the using party is solely responsible for the Loss, even if caused partially or completely by the other party.

- (b) If a Loss occurs while the NYC's Trackage is being used by the trains and locomotives of both CSXT and NSR, then: (i) each is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including lading and (ii) the parties are equally responsible for any Loss to the NYC's Trackage and Loss sustained by third parties, regardless of the proportionate responsibility between them as to the cause of the Loss, unless the Loss was caused solely by one party. In that event, the party causing the loss is solely responsible.
- (c) For purposes of assigning responsibility of a Loss under this Section as between the parties hereto, a Loss involving one of the parties to this Agreement and a third party or parties shall be construed as being the sole responsibility of that one party to this Agreement.
- (d) Whenever any liability, cost, or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its parent corporation, subsidiaries and affiliates, and all of their 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.

- (e) In every case of death or injury suffered by an employee of either NSR or CSXT, when compensation to such employees or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employers' liability or other law, and either of said parties, under the provisions of this Agreement, is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.
- (f) For purposes of determining liability, pilots furnished by CSXT to NSR pursuant to this Agreement shall be considered as the employees of NSR while such pilots are on board or getting on or off trains of NSR.
- (g) For the purpose of determining liability associated with construction, maintenance, repair and renewal of additional connections as provided in Section 10, all work performed by CSXT shall be deemed performed for the sole benefit of NSR, and NSR shall be fully liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting



from, arising out of, incidental to or occurring in connection with said construction, maintenance repair and renewal except when such cost and expense of loss, damage, destruction, injury or death is caused by the sole negligence of CSXT. NSR shall protect, indemnify, and save harmless CSXT and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which NSR is responsible.

- (h) If any suit or action shall be brought against either party for damages which under the provisions of this 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 costs, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.
- (i) Notwithstanding the provisions of Section 23(f), for the purpose of Section 15, the word "equipment" shall mean and be confined to (i) 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 NYC's trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on NYC's trackage or its right of way for the

purpose of maintenance or repair thereof or the clearing of wrecks thereon.

(j) The provisions set forth in this Section 15 (subarticles a through i) above allocating liability between the parties or providing for indemnity shall not apply to any incident in which the total liability for damage to property and equipment of the parties, for damage to property of others, for death or personal injury to employees of the parties or other persons, for clean up or remediation of environmental damage, and for other damage to the environment including damage to natural resources, and all legal fees and expenses associated with such liability ("Total Costs") exceed \$25 million.

(i) In the event an incident occurs in which one or both of the parties assert that the Total Costs will exceed \$25 million, such party or parties shall promptly notify the other party.

(ii) All issues concerning liability and allocation of damages shall be submitted under principals of comparative fault to binding arbitration as set forth in Section 16.

(iii) In all incidents involving a release of the contents of a car into the environment, the carrier in whose account the car is at the time of the incident is responsible, as between the parties, for any allocation based

upon a defective or otherwise not serviceable condition of the car which causes or contributes to the release.

**SECTION 16. CLAIMS**

- (a) Except as provided in Subarticle (b) below, all claims, injuries, death, property damages and losses arising out of or connected with this Agreement shall be investigated, adjusted and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.
- (b) 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.
- (c) In the event a claim or suit is asserted against CSXT or NSR which is the other's duty hereunder to investigate, adjust or defend, then, unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment and defense of such claim or suit.
- (d) 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 agents, full-time attorneys and other full-time employees of either party

engaged directly or indirectly in such work shall be borne by such party.

- (e) Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005, 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).
- (f) Except as provided in Section 12(i), 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, either 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.



- (g) It is understood that nothing in this Article 15 shall modify or waive the conditions, obligations, assumptions or apportionments provided in Article 14.

**SECTION 17. DEFAULT AND TERMINATION**

In the event of any substantial failure on the part of NSR to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from CSXT, CSXT shall have the right at its option, after first giving thirty (30) days written notice thereof by certified mail, and notwithstanding any waiver by CSXT of any prior breach thereof, to terminate this Agreement. The exercise of such right by CSXT shall not impair its rights under this Agreement or any cause or causes of action it may have against NSR for the recovery of damages.

**SECTION 18. REGULATORY APPROVAL**

Both parties agree that this Agreement will be jointly submitted to the Surface Transportation Board (STB) for approval as part of the Joint Application in Finance Docket No. 33388.

**SECTION 19. ABANDONMENT OF CSXT'S TRACKAGE**

- (a) Notwithstanding the provisions of Section 5 of this Agreement, subject to Article VIII of the CSXT Operating Agreement, CSXT shall have the right, subject to securing any necessary regulatory approval, to abandon NYC's trackage or any portion thereof. Before filing an application for regulatory approval of such abandonment, CSXT shall give NSR ninety (90) days' advance notice in writing of its intention to do so in order that NSR may determine whether it desires to purchase NYC's trackage (or portion thereof) or to discontinue its use thereof.
- (b) If NSR desires to purchase NYC's trackage, it shall submit an offer of financial assistance under U.S.C. Section 10904. In the event the offer meets the requirements of Section 15(a) and CSXT receives more than one such offer, CSXT will exercise its statutory right to negotiate with NSR rather than with the other offeror(s). Thereafter, the rights and obligations of the parties in respect to NSR's acquisition of NYC's trackage shall be governed by applicable provisions of the law.
- (c) In any one of the circumstances listed below NSR shall be deemed to have determined that it does not desire to purchase NYC's trackage and that it desires to discontinue its use thereof:

- (i) NSR fails to submit an offer of financial assistance to purchase NYC's trackage within the time prescribed by statute and applicable regulations, or
- (ii) NSR, having made an offer of financial assistance to purchase NYC's trackage, but being unable to reach agreement with CSXT 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) NSR, having requested the proper regulatory authority to establish the terms and conditions of sale, withdraws its offer of financial assistance, or
- (iv) NSR, 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 NSR shall promptly file an application with the proper regulatory authority seeking approval of the discontinuance of its operations over NYC's trackage. If NSR does not file an application seeking approval of the discontinuance of NSR's operations over NYC's trackage within ninety (90) days, CSXT shall be deemed to have been given NSR's power of attorney to take such action on NSR's behalf.

- (d) In the event any application filed by CSXT is granted but an application filed by NSR under Subsection (c) above is denied by the proper regulatory authority, subject to Article VIII of the CSXT Operating Agreement, the parties shall cooperate in taking such action as is reasonably necessary to effect a sale of NYC's trackage to NSR (including securing any necessary authority) for a price consistent with the principles of 49 U.S.C. Section 10904.
- (e) In the event CSXT abandons NYC's trackage (or portion thereof) under circumstances which (because of changes in the law or otherwise) are not susceptible of handling under the procedures outlined above, the parties shall cooperate and take such action as is necessary to assure that NSR either promptly terminates its operations over the segment to be abandoned or purchases of 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 CSXT's application for authority to abandon is denied, NSR will 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 Section 15 result in an obligation imposed by any competent authority on either or both parties hereto to protect the interest 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.

#### **SECTION 20. ARBITRATION**

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be jointly submitted for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. 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. 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.

**SECTION 21. SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and be binding upon the successors and assigns 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.

**SECTION 22. 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 sent by certified mail, or by such other means as the parties may agree, and shall be addressed as follows:

If to CSXT:           Assistant Vice President-Joint Facilities  
                          CSX Transportation, Inc. J200  
                          500 Water Street  
                          Jacksonville, FL 32202

If to NSR:            Director-Joint Facilities and Budgets  
                          Norfolk Southern Corporation  
                          185 Spring St., SW  
                          Atlanta, GA 30303

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

### **SECTION 23. 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 heading 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.

**SECTION 24. INDEMNITY COVERAGE**

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party shall also extend to and indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.