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an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

SECTION 14. INVESTIGATION

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

(c) In the event a claim or suit is asserted against Owner or User 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 employees, including claim agents, attorneys, and other 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 or similar regulation, neither party shall settle or compromise any claim, demand, suit, or cause of action for which the other party has any liability under this Agreement without the concurrence of such other party if the consideration for such settlement or compromise exceeds Twenty-Five Thousand Dollars (\$25,000).

(f) Nothing in this section shall modify or supersede the provisions of Section 13 hereof.

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SECTION 15. DEFAULT AND TERMINATION

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

SECTION 16. ARBITRATION

Any irreconcilable dispute arising between the parties with respect to this Agreement shall be settled through final and binding arbitration. The parties shall jointly submit the matter to final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator(s) shall be final and conclusive upon the parties hereto. Each party to the arbitration shall pay the compensation, costs, fees and expenses of its own witnesses, experts and counsel. The compensation, costs and expense of the arbitrator(s), if any, shall be borne equally by the parties hereto.

SECTION 17. ABANDONMENT OF SUBJECT TRACKAGE

Notwithstanding the provisions of Section 21 of this Agreement, Owner may abandon the Subject Trackage during the term of this Agreement, or any renewals hereof, upon giving User not less than one hundred twenty (120) days' written notice of Owner's intent to abandon. In the event regulatory authority is required to effect such abandonment, User will not interfere with Owner's actions to seek and to exercise such authority. In the event regulatory authority is required for User to discontinue its own operations over the Subject Trackage, User will seek and diligently pursue such regulatory authority at the same time that Owner seeks regulatory authority to abandon the Subject Trackage, or as soon thereafter as User may do so in accordance with applicable statutes and regulations, unless User intends to acquire the Subject Trackage from Owner pursuant to 49 U.S.C. Section 10904 or other similar provision. User hereby expressly reserves the right pursuant to 49 U.S.C. Section 10904 or any similar provision which may be in effect to subsidize operations on or to acquire the Subject Trackage. Unless User or another party acquires the Subject Trackage for continued rail use or subsidizes Owner's operations thereon, User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date

that Owner is authorized to abandon the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination. As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

SECTION 18. 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 contain the entire agreement of the parties hereto and supersede any and all oral understandings between the parties.

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

(e) 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, or equipment in the possession of or operated by one of the parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such party. Whenever such locomotives, cars, or equipment are owned or leased by one party 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.

(f) 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 19. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto; provided, however, that User shall not transfer or assign this

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Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of Owner.

SECTION 20. 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 Owner:

c/o General Manager Contracts
Consolidated Rail Corporation
2001 Market Street 14C
P. O. Box 41414
Philadelphia, PA 19101-1414

(b) If to User:

c/o President
The Indiana Rail Road Company
P. O. Box 2464
Indianapolis, IN 46206-2464

(c) Either party may provide changes in the above addresses to the other party by personal service or certified mail.

SECTION 21. COMMENCEMENT, TERM AND TERMINATION

(a) This Agreement shall take effect on the date of termination of the 1883 Agreement (which date is referred to herein as the "Effective Date"). The Effective Date shall be evidenced by an exchange of correspondence between the appropriate operating officers of the parties hereto.

(b) This Agreement shall continue in full force and effect for a period of thirty (30) years from the Effective Date, as hereinabove defined; provided, however, that User shall have the right to terminate this Agreement upon giving sixty (60) months' advance written notice to Owner. 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 the termination hereof.

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(c) User shall have the right to renew this Agreement for one (1) additional thirty (30) year term, subject to User's above-stated right to terminate, by giving written notice thereof to Owner not more than twelve (12) months and not less than six (6) months prior to expiration of the initial term of this Agreement.

(d) Upon the giving by User of the notice referred to in paragraph (c) above, the parties shall, in good faith, renegotiate the terms and conditions of this Agreement, and shall adjust such terms and conditions as may be reasonable and equitable in light of any changed circumstances during the initial term of this Agreement. In the event the parties fail to reach agreement upon such renegotiation, then such failure shall not constitute a breach of this Agreement and the terms and conditions of this Agreement shall remain in full force and effect for the remainder of the initial term and for the renewed term of this Agreement.

(e) Upon termination of this Agreement on notice of User as provided in Section 21(b) above, by expiration of its term as provided herein, or for any other reason, User shall promptly initiate and thereafter diligently prosecute any action to obtain approval from the Surface Transportation Board or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted.

SECTION 22. OPERATION BY AGENT

User may engage CSXT as its contractor or agent under the terms of this Agreement. User shall remain primarily liable for performance of all the terms and provisions imposed upon User in this Agreement during the period CSXT is engaged as User's contractor or agent as aforesaid, and the actions of CSXT shall, for the purpose of this Agreement, be considered as the actions of User, unless Owner and User otherwise agree in writing. CSXT shall be considered as User under this Agreement and shall comply with all the terms and provisions of this Agreement.

SECTION 23. MISCELLANEOUS SPECIAL PROVISION

(a) INRD agrees to file with the Surface Transportation Board ("STB"), within thirty (30) days from the effective date of this Agreement, such notice or application as may be necessary to discontinue the following INRD trackage rights pursuant to the 1883 Agreement:

- (i) INRD trackage rights over approximately 1.1 miles of the former Indianapolis Union Railway Company ("IU"), now a portion of Conrail's St. Louis Line, in downtown Indianapolis, IN, extending through "IU" Interlocking and through the former Indianapolis Union Station (the "Union Tracks"); and

- (ii) INRD's trackage rights over approximately 5.3 miles of the former Belt Railroad and Stock Yard Company, now a portion of Conrail's Indianapolis Belt Running Track, between North Indianapolis, IN (Milepost 0.0±) and the connection between Conrail and INRD at Raymond Street, Indianapolis, IN (Milepost 5.3±), (the "Belt Tracks").

(b) Further, INRD agrees that it will not seek to exercise its trackage rights to operate over the Belt Tracks, subsequent to the termination of the 1883 Agreement.

SECTION 24. INSURANCE PROVISIONS

(a) During the term, and any continued term of this Agreement, INRD, at its own expense, shall procure and maintain in effect a policy of public liability insurance, with limits of not less than \$3 million single limit, bodily injury and/or property damage, for damages arising out of bodily injuries to or death of all persons in any one occurrence and for damage to, or destruction of property, including the loss of use thereof, in any one occurrence, subject to a self-insured retention limit not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000), including contractual liability insurance, which names Conrail as an additional insured and provides for a minimum of thirty (30) days' advance written notice to Conrail prior to any changes or cancellation. Failure to procure and maintain such insurance in force shall constitute a Breach of Contract hereunder.

(b) This insurance coverage shall be effected under standard form policies issued by insurers of financial responsibility, which are rated "A" or better by either Best's Insurance Reports, Standard & Poor's Insurance Rating Service or Moody's Investors Service. Conrail reserves the right to reject as inadequate, coverage provided by an insurance company rated "B+" or better by the aforementioned rating services.

(c) If the insurance provided under this section takes the form of a "Claims Made Policy", INRD shall purchase whatever supplemental coverage may be necessary to provide continuous coverage of its potential liability under this Agreement, with annual occurrence and annual aggregate limits no less than those required hereunder, for a period of time at least five (5) years following the termination of this Agreement. INRD shall immediately give Conrail written notice of any claim, or notice of incident, or notice of potential claim, that is required to be reported to INRD's liability insurance company.

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(d) INRD shall provide annually, satisfactory evidence of coverage, written notice of any claim and any other correspondence dealing with insurance and insurance matters should be directed to:

Assistant Vice President
Risk Management Planning and Administration
Consolidated Rail Corporation
2001 Market Street 6-B
P. O. Box 41406
Philadelphia, PA 19101-1406

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

WITNESS:

CONSOLIDATED RAIL CORPORATION

John L. Conner

BY:

Stanley Can
General Manager Contracts

WITNESS:

THE INDIANA RAIL ROAD COMPANY

W. R. Kelly

BY:

Thomas B. Hoback

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**AMENDED AND RESTATED
OFF-CORRIDOR OPERATING AGREEMENT**

between

CONSOLIDATED RAIL CORPORATION

("Conrail")

and

NATIONAL PASSENGER RAILROAD CORPORATION

("Amtrak")

Dated as of April 14, 1996

ARTICLE TWO

EXCLUSIVE PASSENGER RIGHTS

Section 2.1. Exclusive Passenger Rights.

Conrail agrees that it shall not, without the prior written consent of Amtrak, operate or provide (or seek the common carrier authority to operate) any regularly scheduled Intercity Rail Passenger Service on its Rail Lines except pursuant to and in accordance with this Agreement, and shall not permit third parties to operate such service on Rail Lines used by Amtrak.

ARTICLE THREE

THE SERVICES

Section 3.1. Right to Services.

Subject to and in accordance with the terms and conditions of this Agreement, including Section 3.3, Conrail agrees to provide Amtrak, over the Rail Lines, with the services requested by Amtrak for or in connection with the operation of Amtrak's Intercity Rail Passenger Service, including the carrying of mail and express on Intercity Rail Passenger Trains to the extent authorized by the Act. The routes, schedules, and consists of Amtrak Intercity Rail Passenger trains operated on the Rail Lines shall be compatible with the physical capabilities of Conrail and its Rail Lines.

Section 3.2. Modification of the Services.

(a) Amtrak shall have the right from time to time to request, and subject to and in accordance with the terms and conditions of this Agreement including Section 3.3, Conrail hereby agrees to provide new, modified, additional, or reduced services. Unless otherwise agreed, such requests shall be made (except with respect to emergency services as set

forth in Subsection (b) below) by filing a written request with Conrail 30 days in advance of the date upon which such request is to become effective to permit adequate joint planning and joint preparation for the modified or additional services provided for in such request. The services sought in any such request shall be subject to the physical and financial capabilities of Conrail and shall give due regard to Conrail's speed, weight and similar operating restrictions and rules and safety standards and to the avoidance of unreasonable interference with the adequacy, safety and efficiency of Conrail's other railroad operations. In applying the foregoing, recognition shall be given to the importance of fast, reliable and convenient schedules and passenger comfort and convenience to the success of Amtrak's Intercity Rail Passenger Service.

(b) Amtrak shall have the right from time to time to request, and subject to and in accordance with the terms and conditions of this Agreement, Conrail hereby agrees to provide, emergency services over the Rail Lines or to arrange to the extent possible over the rail lines of another railroad, as necessary, required as a result of the Rail Lines (or rail lines of another railroad used in the operation of passenger trains by or on behalf of Amtrak) becoming impassable, unsafe or impractical for use in rail passenger service. Amtrak may request the performance or discontinuance of such emergency services orally; however, any request shall be made as far in advance as possible of the time the emergency services are required, and shall be confirmed in writing within twenty-four (24) hours after communication to Conrail. The emergency services requested shall be compatible with the physical capabilities of Conrail.

When said emergency services are provided on rail lines of another railroad, Amtrak shall indemnify and save Conrail harmless, irrespective of any negligence or fault of Conrail, its employees, agents, or servants or howsoever the same shall occur or be caused, from any and all liability for injury or death of any person or persons, other than

employees of Conrail, and from any and all liability for loss, damage, or destruction to any properties, which arise from the provision of said emergency services. Conrail agrees to use reasonable efforts to provide emergency services requested under this Agreement in an expeditious and efficient manner.

In the event an Amtrak train ordinarily operated over rail lines of other railroads is detoured over Rail Lines of Conrail, Conrail will (except as may otherwise be provided in other provisions of this Agreement) be reimbursed by Amtrak for all of Conrail's additional costs resulting from the detour, including crews and/or pilots. Except as provided in the foregoing sentence and except for incremental track maintenance and liability payments as specified in Items 6 and 15 of Appendix IV, Amtrak shall not be obligated to pay Conrail any additional amount for use of its Rail Lines in connection with such detours. Conrail shall not bill other railroads for any costs or charges in connection with such detours. Employees of other railroads who operate trains on behalf of Amtrak over the Rail Lines shall, while on such Rail Lines, be deemed employees of Amtrak for purposes of Section 7.2 of this Agreement.

Section 3.3. Standards of Performance.

(a) Conrail further agrees to provide and furnish all labor, materials, equipment and facilities necessary to the services to be provided under Section 3.1 and 3.2 (except as the same are provided by Amtrak), but shall not, except as otherwise provided in this Agreement or upon agreement with Amtrak, be required to purchase, construct, rebuild or replace Rail Lines, locomotives, cars, rolling stock or ancillary facilities (as defined in Section 3.8), or to provide commissary or maintenance of equipment services or any other services requiring the use by Conrail of ancillary facilities owned or leased by Amtrak.

(b) Conrail shall provide services hereunder in an economic and efficient manner and shall make reasonable efforts:

(1) To deliver each train to all scheduled stops on Conrail within its scheduled running time;

(2) To avoid delays to trains, and, consistent with safety, to make up delays incurred;

(3) Consistent with safety, to seek ways to reduce the scheduled running time between points on the Rail Lines and to make recommendations to Amtrak in that regard;

(4) Except where such services are performed by Amtrak, at locations where Conrail has qualified employees and necessary equipment and supplies, to perform routine running inspection, service, and maintenance on any locomotive or passenger car used in Amtrak service over the Rail Lines.

(c) The parties shall cooperate in good faith with each other in providing service and equipment which will contribute to the success of Amtrak's Intercity Rail Passenger Service. Amtrak may review Conrail's controls, practices, and procedures and their effect upon the efficiency and quality of the performance provided by Conrail. Consideration shall be given to Conrail's common and contract carriage obligations to its shippers and receivers.

(d) In the performance of services referred to in this Agreement, Conrail shall have sole control of the operation of Amtrak's Intercity Rail Passenger trains operated on Conrail Rail Lines.

Agreement, as described in Section 5.1(c) and Appendix V, shall not apply to Amtrak operations over the entire leased territory after that date. The parties further agree that if the agreements described in the preceding sentence are reached, Conrail's sole payments to Amtrak for any Conrail freight operations conducted over the entire leased territory between Poughkeepsie and Hoffmans, beginning with the effective date of such agreement, shall be freight car mile, subject to escalation starting July 1, 1996. The foregoing provision shall not preclude the inclusion of other terms and conditions in said agreement.

IN WITNESS WHEREOF, Amtrak and Conrail have caused this Agreement to be executed by their respective officers hereunto duly authorized.

NATIONAL RAILROAD PASSENGER
CORPORATION

By: [Signature]
Title: President & Chairman
Date: 10 April 96

WITNESS:

By: [Signature]
Title: Vice President - Contract Services
Date: 10 April 96

CONSOLIDATED RAIL CORPORATION

By: [Signature]
Title: Gen. Mgr. - Contracts
Date: 4/10/96

WITNESS:

By: [Signature]
Title: Assoc. General Counsel
Date: 4/10/96

TRANSFER AGREEMENT

Between

CONSOLIDATED RAIL CORPORATION

and

NEW JERSEY TRANSIT CORPORATION

Dated as of September 1, 1962

party in possession of the books and records (which consent shall not be unreasonably withheld), and shall be conducted during such party's normal business hours. The parties agree to submit to the Secretary any disagreement as to whether any such request for confidential treatment is reasonable or any such consent has been unreasonably withheld. The Secretary's decision shall be final, binding and conclusive on the parties. Each party shall have the right to destroy books and records in its possession in accordance with its normal business practices.

Section 2.06. Inventory. A count of Inventory shall be taken by the Closing by employees or designees of both parties who will count the Inventory and agree to the quantities counted. The agreed to quantities shall constitute Appendix F.

Section 2.07. Real Property.

(a) (i) (A) Conrail hereby grants to the Commuter Authority a right of access on, over and across Conrail's real property located in the Commuter Authority's commuter region reasonably necessary (1) for ingress to and egress from other property owned or leased by the Commuter Authority and (2) to service and maintain utilities existing on the Date of Transfer and serving other property owned or leased by the Commuter Authority; provided, however, that such right of access (w) shall be exercised so as not to interfere unreasonably with freight service and (x) does not

include trackage rights. Such right of access shall terminate as to the whole or any part of any such parcel of Conrail's real property (subject to the provisions of Section 2.07(a)(i)(B)) at any time upon Conrail's written notice to the Commuter Authority of Conrail's intention to sell, develop or cause to be developed Conrail's real property affected by such right of access. Upon such notification, Conrail shall either (y) permit the existing utilities to remain in their present location in which event the above right of access to service and maintain such utilities shall not terminate or (z) cause the same to be relocated, at Conrail's sole cost and expense, to another location on Conrail's real property or to such other location as may be reasonably acceptable to the Commuter Authority. All such utilities so relocated to other property of Conrail shall be permitted to remain thereon and the above right of access to service and maintain shall apply to such relocated utilities.

(B) In the event that the Commuter Authority identifies a particular right of access that is reasonably necessary to the operation of commuter service and for the purposes set forth in Section 2.07(a)(i)(A)(1) and (2), Conrail shall, from time to time upon written request of the Commuter Authority, grant to the Commuter Authority such perpetual (subject to reversion upon abandonment of commuter service, which shall mean, for the purposes

of this Agreement, the permanent cessation of all commuter service), irrevocable, non-exclusive easements over such real properties of Conrail located in the Commuter Authority's commuter region as are appropriate to provide for the rights of access specified in Section 2.07(a)(i)(A)(1) and/or (2); provided, however, that such easements (x) shall be exercised so as not to interfere unreasonably with freight operations and (y) do not include trackage rights. Such easements shall be assignable for such purpose only to successors and assigns of the Commuter Authority which operate such commuter service or any part thereof and its and their independent contractors and agents. Such grant shall be evidenced by the execution and delivery, within ninety (90) days of Conrail's receipt of such request, of appropriate documentation in recordable form from Conrail to the Commuter Authority, and shall be made without payment of consideration from the Commuter Authority to Conrail.

(ii) Conrail shall, at the Closing, grant to the Commuter Authority a perpetual (subject to reversion upon abandonment of commuter service), irrevocable, non-exclusive easement over its rail lines for operating commuter service existing as of September 1, 1982 (the terms of the use of Conrail's rail lines pursuant to this grant shall be in accordance with the Trackage Rights Agreement referred to in Section 9.01 hereof), which operations shall not unrea-

sonably interfere with freight service. Such easement shall be assignable for such purpose only to those of its successors and assigns which operate such commuter service or any part thereof and its and their independent contractors and agents. Such grant shall be evidenced by the execution and delivery at Closing of appropriate documentation in recordable form from Conrail to the Commuter Authority, and shall be made without payment of consideration from the Commuter Authority to Conrail.

(b) (i) Conrail hereby grants to the Commuter Authority as of the Date of Transfer a perpetual (subject to reversion upon abandonment of commuter service), irrevocable right of access over its rail lines, for emergency or detour operations relating to the Commuter Authority's commuter service, which operations do not unreasonably interfere with freight service. Such right shall be assignable for such purpose only to those of its successors and assigns which operate such commuter service or any part thereof and its and their independent contractors and agents. Any such operations shall be in accordance with the then applicable Association of American Railroads Detour Agreement standards.

(ii) The Commuter Authority hereby grants to Conrail as of the Date of Transfer a perpetual (subject to reversion upon abandonment of freight service), irrevocable

right of access over its rail lines for emergency or detour operations relating to Conrail's freight service, which operations do not unreasonably interfere with commuter operations. Such right shall be assignable for such purpose only to successors in interest to or assignees, independent contractors or agents of Conrail which operate such freight service or any part thereof. Any such operations shall be in accordance with the then applicable Association of American Railroad Detour Agreement standards.

(c) (i) Conrail shall grant to the Commuter Authority after the Date of Transfer, upon the written request of the Commuter Authority, trackage rights over Conrail's rail lines to operate commuter service not operated on the Date of Transfer and which the Commuter Authority is legally authorized to operate at the time of such request. Such grant shall be made without the payment of consideration from the Commuter Authority to Conrail. The terms of the use of such trackage rights shall be the subject of the Trackage Rights Agreement referred to in Section 9.01 hereof or an amendment thereto if the Trackage Rights Agreement so requires.

(ii) Conrail and the Commuter Authority shall enter into an agreement in the form of Exhibit 5 relating to certain rail properties.

(d) (i) With respect to Real Property rights of way transferred by Conrail to the Commuter Authority hereunder, Conrail shall, at the Closing, reserve a perpetual (subject to termination upon abandonment of freight service), irrevocable, exclusive easement for freight service which does not unreasonably interfere with commuter operations. Such easement shall be assignable for such purposes only to (x) successors in interest to Conrail or (y) assignees, independent contractors or agents of Conrail which operate such freight service or any part thereof. Such reservation shall be reflected in the deeds transferring the rights of way, and shall be made without payment of consideration from Conrail to the Commuter Authority. The terms of the use by Conrail (including compensation therefor) of the Commuter Authority's rights of way pursuant to this reservation shall be in accordance with the Trackage Rights Agreement referred to in Section 9.01 hereof.

(ii) (A) With respect to Real Property transferred by Conrail to the Commuter Authority hereunder, the Commuter Authority hereby grants to Conrail a right of access on, over and across such Real Property reasonably necessary (1) for ingress to and egress from other property owned or leased by Conrail and (2) to service and maintain utilities existing on the Date of Transfer and serving other property owned or leased by Conrail; provided, however, that

such right of access (w) shall be exercised so as not to interfere unreasonably with commuter service and (x) does not include trackage rights. Such right of access shall terminate as to the whole or any part of any such parcel of Real Property (subject to the provisions of Section 2.07(d)(ii)(B)) at any time upon the Commuter Authority's written notice to Conrail of its intention to sell, develop or cause to be developed the Real Property transferred hereunder. Under such notification, the Commuter Authority shall either (y) permit the existing utilities to remain in their present location in which event the above right of access to service and maintain such utilities shall not terminate or (z) cause the same to be relocated, at the Commuter Authority's sole cost and expense, to another location on the Commuter Authority's real property or to such other location as may be reasonably acceptable to Conrail. All such utilities so relocated to other property of the Commuter Authority shall be permitted to remain thereon and the above right of access to service and maintain shall apply to such relocated utilities.

(B) In the event that Conrail identifies a particular right of access that is reasonably necessary to the operation of freight service and for the purposes set forth in Section 2.07(d)(ii)(A)(1) and (2), the Commuter Authority shall, from time to time upon written

request of Conrail, grant to Conrail such perpetual (subject to reversion upon abandonment of freight service), irrevocable, non-exclusive easements over the Real Property transferred hereunder as are appropriate to provide for the rights of access specified in Section 2.07(d)(ii)(A)(1) and/or (2); provided, however, that such easements (w) shall be exercised so as not to interfere unreasonably with commuter service and (x) do not include trackage rights. Such easements shall be assignable for such purpose only to (y) successors in interest to Conrail or (z) assignees, independent contractors or agents of Conrail which operate such freight service or any part thereof. Such grant shall be evidenced by the execution and delivery, within ninety (90) days of the Commuter Authority's receipt of such request, of appropriate documentation in recordable form from the Commuter Authority to Conrail, and shall be made without payment of consideration from Conrail to the Commuter Authority.

(e) (i) Conrail shall indemnify and hold harmless the Commuter Authority from and against any and all liabilities, claims, charges, penalties, fines, forfeitures and suits and the reasonable costs and expenses incident thereto (including, but not limited to, costs of any investigations, corrective or remedial actions, settlement, defense and reasonable attorney's fees) for any injury or

damage to any person or property, contamination of the environment, adverse health effects to any person or violation of governmental laws or regulations, arising out of the activities, operations or ownership of the Real Property transferred hereunder of or by Conrail or its agents, representatives or predecessors in title to such Real Property, involving or relating to such Real Property which occurred or are alleged to have occurred at any time or times prior to the date of its transfer, except to the extent such liability is the responsibility of the Commuter Authority under the Commuter Service Contract, which: (A) have or are alleged to have polluted or contaminated, or have caused or contributed or have been alleged to have caused or contributed to pollution or contamination, of the air, soil or other earthen materials, surface water or groundwater; (B) have or are alleged to have been caused by the generation, handling, storage, transportation, treatment or disposal of any waste, including hazardous waste; or (C) are related to any items, materials or Equipment contaminated with petroleum products, by-products or derivatives, whether or not containing polychlorinated biphenyls in either liquid or solid form or any other hazardous waste; provided, however, that Conrail's indemnification hereunder attributable to the acts or omissions of its predecessors in title shall be calculated in the manner set forth in Section 2.07(e)(ii).

(ii) (A) The portion of the liability under Section 2.07(e)(i) attributable to the acts or omissions of Conrail's predecessors in title with respect to any parcel of Real Property (the "Predecessors in Title Liability"), shall be determined as follows:

(1) Where the Net Equity Value (as defined in Section 2.07(e)(iii)) of the parcel of Real Property in question is less than or equal to zero, then Conrail shall pay all of the Predecessors in Title Liability;

(2) Where the Net Equity Value of the parcel of Real Property in question is greater than zero but less than the amount of the Predecessors in Title Liability, then the portion of the Predecessors in Title Liability which Conrail shall pay shall be equal to (x) the amount of the Predecessors in Title Liability less (y) the Net Equity Value of the parcel of Real Property in question; and

(3) Where the Net Equity Value of the parcel of Real Property in question is greater or equal to than the Predecessors in Title Liability, then Conrail shall not pay any of the Predecessors in Title Liability.

(B) Examples of the application of the provisions of Section 2.07(e)(ii)(A) are contained in Exhibit 6.

(iii) The term "Net Equity Value" of the parcel of Real Property in question shall mean the fair market value of such parcel of Real Property as of the date of its transfer, as defined in, and as based upon the appraisal made pursuant to, Section 2.07(e)(iv), less the sum of (x) the amount of the Predecessors in Title Liability with respect to the proceeding in question and with respect to all prior proceedings with respect to the parcel of Real Property in question and (y) the amount of liability under Section 2.07(e)(i) attributable to Conrail in the proceeding in question and in all prior proceedings with respect to the parcel of Real Property in question, including for this purpose only, such liability attributable to Conrail in all such proceedings which is the responsibility of the Commuter Authority under the Commuter Service Contract.

(iv) The fair market value of each parcel of Real Property as of the date of its transfer shall be determined at the time of the first proceeding in question relating to such parcel, by an independent appraiser then agreed to by the parties. If the parties cannot agree on an appraiser, each shall choose an appraiser; the two appraisers shall choose a third appraiser; and the third appraiser shall be the appraiser hereunder. The fees of the appraiser(s) shall be borne equally by the Commuter Authority and Conrail. In determining fair market value, the appraiser

shall not take into consideration (w) any effect on the value of such parcel of any known or unknown environmental liabilities of the types described in Sections 2.07(e)(i)(A), (B) and (C), (x) any value which would be added to such parcel by modifications in its then existing zoning or other use restrictions, (y) any value which could be added to such parcel as a result of making capital improvements thereto and (z) any value resulting from any capital improvements which have been made to such parcel by the Commuter Authority from the date of transfer hereunder to the date of the appraisal. Finally, to determine fair market value, the appraised value shall be adjusted either upwards or downwards to reflect whatever inflation or deflation has occurred from the date of transfer hereunder to the end of the month preceding the month in which the appraisal is made, as indicated by any net increase or decrease during that period in the Consumer Price Index - All Urban Consumers (1967 equals 100) published by the Bureau of Labor Statistics of the United States Department of Labor for the locality in which such parcel of Real Property is located.

(v) The Commuter Authority will give Conrail prompt notice of any proceeding commenced by or against the Commuter Authority out of which a Conrail indemnification obligation may arise hereunder. Conrail shall have the right, without opposition by the Commuter Authority, to join

in such proceeding unless prohibited by law and to participate in the analysis of any applicable environmental problem, and the selection, development and implementation of any procedure or action intended to remedy the environmental problem (on a least cost basis) which is the subject of such proceeding.

(vi) The parties agree that nothing in the provisions of this Section 2.07(e) shall be construed to waive or in any way affect any right, claim, remedy or defense that either of them may have against or with respect to any person not a party to this Agreement.

(f) Conrail shall at all times use its best efforts to transfer to the Commuter Authority any zoning, environmental or other permits relating to the Real Property transferred hereunder.

ARTICLE III

PAYMENTS TO BE MADE TO CONRAIL

Section 3.01. Payment of Consideration for Inventory. The Commuter Authority shall pay Conrail in full the Book Value of the Inventory transferred hereunder from the Federal transition funds described below, as specified on Appendix F (as the same may be modified pursuant to the agreement as to count and Book Value specified below), provided that Book Value shall not include any costs which have previously been paid by the Commuter Authority. Pay-

Section 13.21. Additional Definition of "Lease".

The term "lease" shall mean all leases, equipment trust agreements, conditional sale agreements, participation agreements and subleases, unless the context otherwise requires.

IN WITNESS WHEREOF, the parties have each affixed their seal duly attested to by an authorized officer, intending this to be a sealed instrument, and have each duly executed and delivered this sealed Agreement as of the day and_year first above written.

CONSOLIDATED RAIL CORPORATION

By: *Arthur L. Sullivan*

Attest: *Joan C. Dege*

[Seal]

NEW JERSEY TRANSIT CORPORATION

By: *Jerome C. Bruno*

Attest: *Russell L. Bunker*

[Seal]

OPERATING ACCESS AGREEMENT
BETWEEN
CONSOLIDATED RAIL CORPORATION
AND
NORTHERN VIRGINIA TRANSPORTATION COMMISSION
AND
POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION
CONCERNING COMMUTER RAIL SERVICE

THIS AGREEMENT, dated as of the 1st day of December, 1989, by and between CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation, with a principal place of business at Six Penn Center Plaza, Philadelphia, Pennsylvania, 19104, (hereinafter the "Railroad"), the NORTHERN VIRGINIA TRANSPORTATION COMMISSION, and the POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION, bodies politic and corporate and political subdivisions of the Commonwealth of Virginia established under the provisions of the Transportation District Act of 1964, as amended, and having principal places of business at 2009 North 14th Street, Arlington, Virginia 22201 and 9257 Lee Avenue, Suite 205, Manassas, Virginia 22110, respectively, (hereinafter, individually, a "Commission" and, collectively, the "Commissions");

WHEREAS, the Commissions desire to establish and operate or have operated rail commuter services over the existing railroad line owned by Railroad between Virginia Interlocking (M.P. 136.7) and RF&P Division Post (M.P. 138.7, also known as RO Interlocking (M.P. 110.0) of the Richmond, Fredericksburg and Potomac Railroad Company); and

WHEREAS, the Commissions also desire contemporaneously to operate or have operated rail commuter services over rail lines owned by the Richmond, Fredericksburg and Potomac Railroad Company ("RF&P"), by the National Railroad Passenger Corporation ("NRPC"), and by Southern Railway Company ("Southern"); and

WHEREAS, Railroad is willing, on the terms and conditions hereafter set forth, to permit the use of certain of its rail lines and certain of its related facilities and services for operations of rail commuter services;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto agree as follows:

ARTICLE ONE - Definitions

Section 1.1. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the meanings hereinafter specified:

BASE PAYMENT: the monthly payment to be made by Commissions to Railroad pursuant to ARTICLE SIX hereof as compensation for the privilege of operating the SERVICE.

EQUIPMENT: the locomotives and passenger cars complying with §3.2 of this Agreement which are at any time used by the Commissions, or either of them, or by an agent or OPERATOR, to provide rail commuter SERVICE over Railroad's TRACKS.

OPERATOR: shall mean any person, firm, corporation, or other legal entity contracting with or utilized by Commissions to operate all or any part of the SERVICE or to

IN WITNESS WHEREOF, the Commissions and Railroad have caused their names to be signed hereto by their officers thereunto duly authorized and their seals, duly attested, to be hereunto affixed as of the day and year first above written.

NORTHERN VIRGINIA TRANSPORTATION
COMMISSION

by: *John L. Richards*
(title)

Witness:

Bronda W. Wilchest
(title)
Commission Secretary

POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

by: *Kathleen T. Seefeldt*
(title)

Witness:

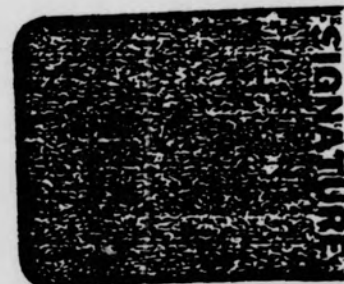
Russell Boyer
(title)

CONSOLIDATED RAIL CORPORATION

by: *J. G. Hagen*
Chairman, President and
Chief Executive Officer

Witness:

Mary M. Mendenhall
(title) *Staff Assistant*



OPERATING/ACCESS AGREEMENT

Between

CSX TRANSPORTATION, INC.

and

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION AND POTOMAC
AND RAPPAHANNOCK TRANSPORTATION COMMISSION**

CONCERNING COMMUTER RAIL SERVICE

THIS AGREEMENT, made and entered into this 10th day of January, 1995, is by and between CSX TRANSPORTATION, INC., a corporation organized and existing under the laws of the Commonwealth of Virginia, with a principal place of business at 500 Water Street, Jacksonville, Florida 32202 (hereinafter the "Railroad"), and the NORTHERN VIRGINIA TRANSPORTATION COMMISSION and the POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION, bodies politic and corporate and political subdivisions of the Commonwealth of Virginia, established under the provisions of the Transportation District Act of 1964, as amended, and having principal places of business at 4350 N. Fairfax Drive, Suite 720, Arlington, Virginia 22203, and 1549 Old Bridge Road, Suite 209, Woodbridge, Virginia 22192, respectively (hereinafter, individually, a "Commission" and, collectively, the "Commissions");

EXPLANATORY STATEMENT

A. The Railroad is engaged in the business of providing efficient, reliable freight rail transportation services to industrial and commercial enterprises. The Railroad has obligations to its key constituents: (i) to its shippers: to provide high quality, reliable service; (ii) to its employees: to provide a safe place to work where their skills and talents can be fairly and productively utilized; and (iii) to its shareholders: to engage in efficient operations that will assure superior returns.

B. The Railroad is the owner of a system of railroad lines, including the railroad line between Richmond, Virginia and

Arlington, Virginia (the "RF&P Subdivision"). The RF&P Subdivision is a fully integrated component of the Railroad's system and serves as a primary link between its operations in the North and the South.

C. The Railroad's freight rail operations also promote significant economic interests within the Commonwealth of Virginia and thereby enhance the welfare of its citizens. Within the RF&P Subdivision, the Railroad currently serves substantial utilities and business enterprises, annually transporting over 72,000 carloads of coal, nonmetallic mineral, paper and food and consumer commodities in a safe and environmentally superior manner. It is the Railroad's intention to attract more traffic off the already overburdened highway system, thus helping to ease congestion and reduce pollution. In addition to the jobs created and sustained by these business enterprises, the Railroad currently employs at least 1,600 of its work force directly in the support and operation of freight rail services to these enterprises.

D. The National Rail Passenger Corporation ("NRPC" or "AMTRAK") also utilizes the RF&P Subdivision to provide intercity passenger rail services, pursuant to its mandate and authority under Federal law.

E. The Commissions are engaged in planning and operating a high quality, world-class public transportation rail system, known as the Virginia Railway Express ("VRE"), that is reliable, safe and economical, with financial assistance from Commonwealth

of Virginia (the "Commonwealth"). The Commissions have become leaders in providing an efficient and environmentally sound alternative to single occupant automobile travel on the overcrowded highway network at significantly lower cost. By foregoing automobile travel, the Commissions' commuters make a significant contribution in reducing automobile generated pollution, which is responsible for nearly two-thirds of all air pollution in Northern Virginia. The Commissions' commuter rail service is an important component of the region's approach to meeting the air quality standards set by the Federal Government in the Clean Air Act Amendments of 1990. In addition to the mobility provided to the daily commuters and reduction in air pollution, the Commissions' commuter service provides significant meaningful employment. Energy conservation from this mass transit service reduces dependence on foreign oil.

F. In view of potential benefits of commuter rail services to the Commonwealth, the Railroad and the Commissions undertook cooperative efforts to initiate certain commuter rail services, within that portion of the RF&P Subdivision between MP 110.0 (RO Interlocking) and MP 53.2 (Olive) (the "Corridor"), pursuant to an Operating/Access Agreement dated December 1, 1989 between Richmond, Fredericksburg and Potomac Railroad Company (the Railroad's predecessor) and the Commissions (the "Original Agreement"). The Original Agreement was to expire on November 30, 1994, but was extended for an additional period ending January 10, 1995, pursuant to a Forty Day Extension Agreement

dated November 30, 1994, and a Second Extension Agreement dated January 9, 1995 (collectively, the "Extension Agreement").

G. During the initial term of the Original Agreement, the Commissions' commuter rail service has been well-received by the citizens of the Commonwealth and the Commissions now seek to renew the term of the Original Agreement and to expand its existing commuter service.

H. However, all parties acknowledge that the finite capacity of the Railroad's RF&P Subdivision (particularly within the Corridor) presents a challenge to the concurrent operation of freight, commuter, and intercity passenger rail services. The Railroad has informed the Commissions that, in the Railroad's judgment, Railroad's ability to operate its freight service on its railroad lines is constrained by existing passenger rail service within the Corridor, and that the ability of the Commissions to provide reliable, on-time service within the Corridor is impaired by the finite capacity of the Railroad's RF&P Subdivision. In essence, the Railroad believes that it will not be possible to accommodate future growth of passenger service on its existing system and that a new course must be chartered.

I. It is clearly in the best interests of the Commonwealth and its citizens, and crucial to the Commissions and its commuters, the Railroad and its shippers, employees and shareholders, to maintain the highest standards of service on the RF&P Subdivision. To do otherwise would result in the increase of freight and commuter traffic on the already overburdened

highway system. Maintenance of those standards requires that capital improvements be made to increase the capacity of the Corridor.

J. In view of its freight and intercity passenger rail service commitments and the capacity constraints of its RF&P Subdivision, the Railroad has determined that it can allow the expansion of the Commissions' commuter service only upon obtaining assurances from the Commissions, working with the Commonwealth, that the capacity of the RF&P Subdivision must be expanded to accommodate the contemplated commuter traffic within this vital and growing corridor in the manner described below. Accordingly, it is the intention of the Commissions and the Railroad to work cooperatively to seek long-term solutions that will accommodate the growing freight and intercity passenger operations and further expansion of commuter rail services in the Corridor. It is believed that such a long-term solution will require the construction of a third parallel mainline to be operated in coordination with Railroad's existing double track mainline system.

K. By letter dated January 10, 1995, from Robert Martinez, the Secretary of the Commonwealth's Department of Transportation, to John Snow, the Chairman and President of CSX Corporation, the Commonwealth has acknowledged the need for capital improvements to allow the operation of the Railroad's freight service and NRPC's intercity passenger service without interference from the Commissions' commuter service, and the Commonwealth's willingness

to provide financial assistance to the Commissions to enable them to fund such improvements as well as a portion of the fees payable to the Railroad under this Agreement. While the Railroad understands that such acknowledgment does not constitute a legally binding commitment, the Railroad has relied upon such acknowledgement in the formulation and its acceptance of the terms and conditions of this Agreement.

L. In view of the foregoing, the Commissions acknowledge and agree that: (i) the Commissions' service may be modified as identified on the annexed Exhibit A-1, subject to the construction of certain capital improvements, pursuant to Section 2.9(b) of this Agreement, at the Commissions' sole cost and expense; (ii) the Commissions have expressed their desire to expand commuter service even further, but acknowledge that no further expansion shall be allowed within the Corridor, unless and until the Commissions have committed to undertake, with the financial assistance of the Commonwealth and at no expense to the Railroad, pursuant to Section 2.9(c) of this Agreement, the construction of a third parallel mainline to be operated in coordination with the Railroad's existing double-track mainline system and such other improvements and conditions as the Railroad may require, to ensure that commuter operations will not interfere with the operations of the Railroad or NRPC; (iii) the Commissions will undertake in good faith to obtain the public funding necessary, with the financial assistance of the Commonwealth, to so construct such aforesaid improvements which

the Railroad requires; (iv) for the purpose of facilitating discussions, representatives of the Railroad and the Commissions will meet regularly (no less than four times a year) to consider issues and to make non-binding recommendations to the Railroad and the Commissions pertinent to safe and economical operations within the Corridor; (v) the Railroad will cooperate with the Commissions in obtaining the agreement of NRPC to allow holders of commuter service tickets to use those tickets on NRPC intercity passenger trains within the Corridor, but such cooperation shall not entail the expansion of the existing intercity passenger service; and (vi) to induce Railroad to strive toward on-time performance for the Service, the Commissions will provide Railroad with economic incentives, but in no event will Railroad suffer any penalty or incur any damage claim for or arising from delays or disruptions in the Service for any reason, including maintenance or conflicting freight and intercity passenger service operations.

M. In view of the foregoing, the parties agree to the continuation of the Commissions' existing commuter rail service and the terms on which such service might be expanded, all as more particularly set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto agree

as follows:

ARTICLE ONE

DEFINITIONS

1.1 The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the meanings hereinafter specified:

Contract Fee: The monthly payment to be made by the Commissions to Railroad pursuant to Article Five hereof as compensation for the privilege of operating the Service.

Corridor: The Railroad's railroad line between MP 110.0 (RO Interlocking) and MP 53.2 (Olive), it being understood and agreed that this Agreement does not address or contemplate operation of the Service beyond the limits of such railroad line.

Equipment: The locomotives and cars complying with Section 2.4 of this Agreement which are at any time used by the Commissions, or either of them, or by an agent or Operator, to provide rail commuter Service over Railroad's tracks.

Joint Operations Committee: The committee described pursuant to Section 2.6(c) of this Agreement.

Operator: Shall mean any person, firm, corporation or other legal entity contracting with or utilized by the Commissions to operate all or any part of the Service or to be responsible for providing and supervising on-train personnel for operation of the Equipment and Trains. The term may include one or both of the Commissions. An Operator must be approved by and

remain subject to the continuing approval of the Railroad.

RF&P Subdivision or Subdivision: The RF&P Subdivision consists of the Railroad's railroad line between Richmond, Virginia and Arlington, Virginia.

Rush-Hour Periods: The Rush-Hour Periods shall consist of those periods of time established by the Railroad, from time to time, and shall consist currently of the hours between 5:07 a.m. and 9:15 a.m. and between 3:54 p.m. and 8:18 p.m. on weekdays. The establishment of Rush-Hour Periods shall not affect, by itself or in conjunction with other provisions of this Agreement, the relative priorities of freight, intercity passenger, and commuter rail operations.

Service: The Service shall consist of the Trains, whether occupied or empty, which are used to provide commuter rail service pursuant to the authority granted by this Agreement. Service includes the movement of Trains operated at the times, between the mile posts, with the frequencies, and Equipment specified in Exhibit A-1, attached hereto, and the movement of Special Trains allowed pursuant to Section 3.1. Service, as specified in Exhibit A-1, may be amended at any time by written agreement of the parties with an appropriate adjustment to the Contract Fee, if any.

Station Leases: The Station Leases shall consist of the separate Lease Agreements between the Commissions and Railroad, for the leasing of certain real property for the operation of commuter rail passenger service stations, including

those stations enumerated on the annexed Exhibit F, as amended from time to time.

Tracks: The Tracks subject to this Agreement shall be the railroad operating facilities shown or described in the attached Exhibit B, including but not limited to signaling facilities. The Tracks shall include such other parallel or related railroad operating facilities of Railroad as may at the instruction of Railroad from time to time be temporarily used for the operation of the Service. The rail facilities within the definition of Tracks shall include the Improvements to such rail facilities identified by Exhibit E hereto, and may be further changed at any time by written agreement of the parties.

Train: A Train subject to this Agreement shall consist of a locomotive unit, or more than one unit coupled, with or without cars, whether or not carrying passengers, having not less than 4.0 horsepower per trailing ton, displaying markers or carrying an end of train device, and capable of adhering to the schedule standards specified for the Service.

Improvements: Shall mean changes in, additions and betterments to, or retirements from, made pursuant to Section 2.9 of this Agreement, the Tracks, facilities (including, without limitation, signal and communication systems) or freight locomotives, cars or other equipment of the Railroad, its affiliates or any other railroad companies entitled to use the Tracks.

Special Train: A Train operated other than as

conditions of this Agreement, are subject to the judgment, discretion, control, approval or consent of Railroad.

2.7 In the event that operation of the Service requires the prior approval of or exemption from regulations by the Interstate Commerce Commission or any other governmental agency, securing such approval or exemptions shall be the exclusive responsibility of the Commissions. The Commissions shall not commence the Service, either in their own behalf or by means of any third party Operator, until any such approval or exemptions becomes effective. To the extent Railroad deems appropriate, Railroad will make reasonable efforts to support the actions which the Commission may initiate pursuant to this Section.

2.8 Railroad shall at all times have exclusive control of the management of all operations over the Tracks. The Commissions recognize that delays or cancellations of the Service due to conflicts with Railroad's freight service, NRPC's intercity passenger service, weather, labor difficulties, track or equipment failure, conflicting schedules or missed connections of NRPC trains, or of trains of Railroad, or trains of other railroads entitled to use of the Tracks, or from other causes, are probable. Although Railroad will make reasonable efforts to avoid such delays or cancellations, Railroad shall in no event be responsible for or liable to the Commissions, an Operator, or any passenger for the consequences of any such delay or cancellation, but such delays or cancellations will be taken into account in

the calculation of incentive compensation to the extent provided by Exhibit C-2 hereto.

2.9 (a) Ongoing Operation: Improvements may be made when, in the judgment of Railroad, they are necessary or desirable for the safe or economical operation of the RF&P Subdivision, or if required by any law, rule, order, regulation or ordinance promulgated by any governmental body having jurisdiction. To the extent such Improvements are occasioned or required by the operation of the Service: (i) the Railroad shall review the proposed Improvements with the Joint Operations Committee; (ii), if the Joint Operations Committee is unable to timely reach an agreement as to the necessary Improvements, the issue may be referred to the Railroad's Chief Operating Officer and the Commissions' Chairmen for their review and recommendations; (iii) after such consultation and review, the Railroad shall determine, in its sole discretion, the Improvements which are to be constructed; (iv) Railroad shall construct or make, or cause to be constructed or made, such Improvements, subject to: (1) the Commissions' binding agreement to fund, at no cost to Railroad, the entire cost of such Improvements; and (2) the appropriation of funds sufficient to reimburse Railroad for such costs; (v) in the event that the Commissions fail to so agree or to obtain the necessary appropriation, as required by (iv) above, or Railroad is unable to construct or make such Improvements for any other reason, in the manner or time required, in the Railroad's sole judgment, to

permit the safe, economical or lawful operation of the RF&P Subdivision, Railroad shall be entitled to suspend all or part of the Service; and (vi) the Contract Fee shall be amended to include the expense of maintaining, repairing and renewing such Improvements. Upon the request of the Commissions, Railroad will consider financing the cost of Improvements undertaken pursuant to this Section 2.9(a) (other than the maintenance and repair of such Improvements), upon terms and conditions mutually acceptable to Railroad and the Commissions. All Improvements (and all replacements thereof) shall become part of the Tracks and property of Railroad, and retirements of such shall be excluded from the Tracks when effected, except to the extent otherwise provided by Section 2.9(e).

(b) Proposed Expansion of Service: The Commissions wish to expand the existing Service, as more particularly described in the Operating Plan for Commuter Rail Service which is annexed to this Agreement as Exhibit A-1. Railroad agrees to allow only such expansion of the Service (and, except as otherwise provided by Section 2.9(c), no further expansion or modification); provided that prior to initiation of that expansion: (i) the Commissions shall have provided such evidence, as Railroad may require in its sole discretion, of the Commissions' commitment and ability to diligently proceed with and timely complete the construction of those Improvements at Lorton, Virginia, and Virginia Avenue, Washington, DC, all as more particularly described by the annexed Exhibit E, at no

expense to Railroad (including, without limitation, the execution by the Commissions of a binding agreement with Railroad for the construction of Improvements at Lorton, Virginia, subject to a resolution of the manner in which the existing Lorton tube is to be altered and extended); and (ii) the Commissions have agreed to fund, and have obtained all necessary governmental commitments to fund, the entire cost and expense of such Improvements. In the event that the Improvements are not substantially completed by the dates set forth on the annexed Exhibit E, or Railroad determines that the Commissions are not diligently proceeding with the prosecution of such Improvements, Railroad shall have, in addition to all other available rights or remedies, the right to limit the Service to those trains and operations described by Exhibit A.

2.9 (c) Additional Expansion of Service.

(i) The Commissions have expressed a desire to expand the Service beyond the level called for in Section 2.9(b), but acknowledge that the Railroad retains the right, in its sole discretion, to reject any proposal for expansion of the Service. Further expansion of the Service beyond the expansion contemplated by Section 2.9(b) shall not be allowed, unless and until the Commissions have committed to undertake, at no cost to Railroad, the construction of a third parallel mainline in the Corridor to be operated in coordination with Railroad's existing double-track mainline system and such other Improvements and conditions as Railroad determines, in its sole judgment, to be

necessary to ensure that commuter operations will not interfere with freight operations or intercity passenger service. It is contemplated that the new mainline will be primarily utilized for commuter operations and that Railroad will be appropriately compensated for that portion of its right of way which is dedicated to such new mainline.

(ii) Accordingly, the Commissions may request further expansion of the Service beyond the level called for in Section 2.9(b) by presenting to Railroad evidence of the Commissions' commitment to implement and to fund, at no expense to Railroad, all or a significant portion of the aforesaid third mainline and such other Improvements as Railroad deems necessary to ensure that commuter operations will not interfere with freight and intercity passenger service operations. Upon such request, Railroad shall enter into discussions with the Commissions regarding the expansion of the Service, including the size of and effective date for the expansion, the timing of Improvements, the compensation due to Railroad for that portion of its right of way which is dedicated to such Improvements and other appropriate charges and the like, and the parties' respective rights, title and interest in such Improvements (including, without limitation, the removal of such Improvements upon termination of this Agreement). If Railroad decides, in its sole discretion, to allow the expansion on terms and conditions acceptable to the Commissions, the parties shall execute definitive agreements to proceed with such expansion on such terms and conditions.

(iii) Railroad agrees to cooperate with the Commissions in obtaining the agreement of NRPC to allow holders of the Commissions' commuter service tickets to use those tickets on NRPC passenger trains within the Corridor, but such cooperation shall not entail the addition of, or changes in the scheduling of NRPC trains, or any other expansion of NRPC service.

(d) The Commissions agree to make good faith efforts to obtain the public funding necessary to undertake, and shall pay when due to Railroad the cost of, the construction and installation of the Improvements as outlined in Subsections 2.9(a), (b) and (c) which are undertaken by Railroad. All such Improvements which are made on or to property of Railroad shall become part of the tracks and property of the Railroad, except to the extent otherwise agreed by the parties to accommodate the terms and conditions of federal agencies which furnish financial assistance for such Improvements. It is understood and agreed that the construction of Improvements pursuant to Subsections 2.9(a) or (b) or, except as otherwise expressly agreed by the parties, Section 2.9(c) shall not affect the priority of freight and intercity passenger operations over commuter operations or otherwise limit the Railroad in the exercise of its rights, discretion or judgment pursuant to this Agreement.

(e) At the termination of this Agreement, the Railroad shall have the option of retaining or, at the entire cost of the Commissions, of removing, or of requiring the removal of, all or any portion of any Improvement made on or to the

property of Railroad pursuant to the provisions of subsections (a) and (b) of this Section 2.9, and of restoring the Tracks, facilities, or freight equipment, to their original condition (ordinary wear and tear excepted), following such removal. If the Railroad elects to retain all or any portion of the Improvements for continued rail service, then, the Railroad shall pay to the Commissions the amount by which the then net salvage value of such Improvements exceeds the removal and restoration costs otherwise to be incurred by the Commissions.

(f) In the event of the replacement of any Improvements, the parties' respective rights and obligations with respect to such Improvements shall extend to replacements thereof, and Railroad shall be entitled to use and dispose of replaced materials as it determines, except to the extent the cost of such Improvement and replacement is borne by the Commissions.

2.10 Performance by Railroad of its maintenance obligations, including (but not limited to) those in Article Six hereof, will occasionally result in delays or cancellations of operations of the commuter rail passenger service. Delays or cancellations so occasioned will not relieve the Commissions of any obligations herein set forth, or give rise to any rights in the Commissions not otherwise set forth, but shall affect incentive compensation to the extent provided by Exhibit C-2 hereto.

2.11 (a) If, by any reason of mechanical failure or

for any other cause, Equipment or a Train of the Commissions becomes stalled or disabled and is unable to proceed, or fails to maintain the speed required of Trains in order to meet normal schedules, or if in emergencies crippled or otherwise defective Equipment is set out of the Commissions' Trains on the tracks, Railroad may at its option furnish motive power or such other assistance as may be necessary to haul, help or push such Equipment or Trains, or to properly move the disabled Equipment, and the Commissions shall reimburse Railroad for the cost of rendering any such assistance in lieu of payment of the variable portion of the Contract Fee otherwise applicable to movement of such Trains or Equipment.

(b) If it becomes necessary to make repairs to, or to transfer the passengers on, crippled or defective Equipment in order to move it, such work may be done by Railroad, and the Commissions shall reimburse Railroad for the cost thereof in accordance with the then current Code of Rules of the Association of American Railroads, or in the absence of such rules, in an amount mutually agreed upon or in the absence of such agreement, in an amount determined by arbitration conducted in accordance with Article Eleven hereof.

(c) Whenever the Commissions' Equipment on the Tracks requires rerailing, wrecking service or wrecking train service, Railroad will perform such service, including the repair and restoration of roadbed, track and structure. The cost and expense of such service shall be paid by the Commissions to

ARTICLE FIVE

PAYMENT

5.1 (a) The premise upon which Railroad and the Commissions have agreed to the initiation of the Service pursuant to the Original Agreement and the continuation of the Service pursuant to this Agreement is that Railroad will permit operation of the Service with the following conditions: (1) the Commissions will make payment to Railroad of the Contract Fee pursuant to Section 5.1(b); (2) the Railroad (and its licensees, its corporate affiliates and its and their respective officers, agents and employees) will incur no liability or losses from the Service; and (3) if there is interference with the Railroad's ability to provide freight operations as a result of the operation of Trains other than at their regularly scheduled times due to reasons attributable to events or conditions which are enumerated in Section 2 of Exhibit C-2, the Commissions will participate fully in the costs incurred and revenues lost. The Commissions, therefore, hereby undertake to hold harmless Railroad (which term, as used in this Section 5.1, shall include Railroad, its licensees, its corporate affiliates, and its and their respective officers, agents and employees) against all loss, cost, expense, obligation, maintenance or discontinuance of the Service. The enumeration of any such costs or expenses and inclusion of provisions requiring payment to or indemnification of Railroad by the Commissions for such expenses, costs and risks elsewhere in this Agreement shall in no way diminish the

liability of the Commissions to compensate or indemnify Railroad for any such costs, liabilities, expenses or obligations as hereafter occur, it being the intent of the parties that Railroad be fully protected, indemnified and made whole by the Commissions against any such costs, expenses, liabilities and obligations so caused or so exacerbated, whether or not specifically described in this Agreement.

(b) In addition to such other sums which accrue under other provisions of this Agreement, the Commissions agree to pay Railroad a monthly Contract Fee as follows:

(i) For the period beginning with the initiation of Line Service under the Original Agreement and ending January 31, 1995, the Contract Fee shall accrue and be payable monthly in advance, in accordance with the Exhibit C of the Original Agreement.

(ii) On or before January 30, 1995, in consideration of the extension of the Original Agreement pursuant to the Extension Agreement, the Commissions shall pay to Railroad the sum equal to the difference between: (1) the Contract Fee set forth in Exhibit C-1 for the period beginning December 1, 1994 and ending January 31, 1995; and (2) the compensation payable to Railroad pursuant to subparagraph (i) above; and

(iii) For the period commencing February 1, 1995 and continuing through the expiration or termination of this Agreement, the Commission shall pay to Railroad monthly in advance the Contract Fee set forth in Exhibit C-1.

(c) Upon the Commissions' request, Railroad may agree to accept an annual payment of the Contract Fee with an appropriate discount and such other terms which are mutually acceptable to the parties.

(d) On and after December 1, 1994, the Contract Fee (as calculated pursuant to Section 5.1(b) (ii) and (iii)) shall be subject to adjustment during the term of this Agreement only with respect to: (i) the amount specified for Station Leases, upon the expiration, termination or grant of leases by Railroad to the Commissions, from time to time, to reflect the amounts due and payable by the Commissions under such Leases; (ii) adjustments contemplated by Section 2.9; and (iii) adjustments for the variable component of the Contract Fee, which adjustments shall be made within 180 days of the first day of the month for which such Contract Fee accrues.

(e) Payment of the Contract Fee shall be made no less than five days prior to the first day of each month by wire transfer to such account as Railroad designates in writing to the Commissions.

(f) The amounts payable to the Railroad under this Agreement shall be subject to audit or review for up to three years following payment thereof. Notwithstanding the foregoing, the Contract Fee shall be subject to audit and review only to the extent necessary to verify the number of train miles for the purpose of its variable component.

5.2 In addition to the Contract Fee, the Commissions

shall pay Railroad incentive compensation, as determined in accordance with Exhibit C-2 annexed to this Agreement.

5.3 In addition to the payments specified hereinabove, the Commissions shall also pay to Railroad monthly, within thirty (30) days of demand when supported by appropriate documentation, any amounts which Railroad shall have failed to earn from NRPC pursuant to Appendix V (as it may from time to time be amended) of the Basic Agreement between Railroad and NRPC governing the operation of intercity passenger service over lines of Railroad and Railroad attributes to the presence of Equipment, personnel, passengers or property of the Commissions or of an Operator or to the normal or abnormal operation or to the malfunction of the Service.

5.4 In addition to the payments specified elsewhere in this Article Five, the Commissions shall also pay to Railroad, within thirty (30) days of demand, when supported by appropriate documentation, any amounts which become due to be so paid pursuant to the provisions of Article Two, Article Seven, Article Eight and Article Nine. Railroad's reimbursable labor costs shall include the overhead percentage agreed upon by Railroad and the Commonwealth's Department of Transportation.

5.5 Invoices for amounts due to Railroad under this Agreement shall be prepared substantially in accordance with the format annexed to this Agreement as Exhibit C-3, as it may be changed from time to time by Railroad.

5.6 If Railroad is at any time required by law, rule,

ARTICLE THIRTEEN

NOTICES

13.1 Any report, notice or other communication required or permitted hereunder shall, unless otherwise specified, be in writing and shall be delivered by hand or deposited in the United States mail, postage prepaid, addressed as follows:

If to Railroad:

CSX Transportation, Inc.
500 Water Street
Jacksonville, Florida 32202

Attention: Assistant Vice President - Passenger
Services

(with a copy to its
General Counsel at the same address as set forth
above)

If to Commissions:

Director of Operations
Virginia Railway Express
6800 Versar Center, Suite 247
Springfield, Virginia 221521

(with a copy to the
County Attorney of Prince William County
One County Complex Court
Prince William, Virginia 22192-9201)

Either party may change the address at which it shall receive communications and notifications hereunder by notifying the other party in writing of such change.

ARTICLE FOURTEEN

MISCELLANEOUS

14.1 Force Majeure. Each party will be excused from

performance of any of its obligations hereunder (except Article Nine), to the other party, where such nonperformance is occasioned by any event beyond its control, which shall include, without limitation, any order, rule or regulations of any federal, state or local government body, agent or instrumentality, work stoppage, accident, natural disaster or civil disorder, provided that the party excused hereunder shall use all reasonable efforts to minimize its nonperformance and to overcome, remedy or remove such event in the shortest practical time. Railroad shall promptly undertake and complete the repair, restoration or replacement of any property which is necessary for the provision of the Service, or for the performance of any of the Railroad's other obligations hereunder which is damaged or destroyed as a result of the force majeure occurrence, subject to the Commissions' agreement to reimburse Railroad for the full cost of such repair, restoration or replacement.

14.2 The article and section headings herein are for convenience only and shall not affect the construction hereof. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by all of the parties hereto, unless a specific provision hereof expressly permits one party to effect termination, amendment, supplementation, waiver or modification hereunder, in which case such change shall be made in accordance with the terms of such provision. All exhibits attached hereto, and as they may be amended, are

party's successor and assigns.

14.7 While it is understood and agreed that the Commissions shall act together in all matters affecting the Service, the rights and obligations of the Commissions hereunder shall be shared jointly and severally.

14.8 This Agreement shall be governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Railroad and the Commissions have caused their names to be signed hereto by their officers thereunto duly authorized and their seals, duly attested, to be hereunto affixed as of the day and year first above written.

Attest:

CSX TRANSPORTATION, INC.

John A. O'Connor
Secretary

By: Paul R. Coolidge
Title: Senior Vice-President

Attest:

NORTHERN VIRGINIA TRANSPORTATION
COMMISSION

Robert E. Harris
Secretary

By: Margaret Whipple
Title: Chairman

Attest:

POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

Wm. Greenup
Secretary

By: James J. [Signature]
Title: Chairman

00
WALTER E. ZULLIG, JR.
EXECUTION COPY

TRACKAGE RIGHTS AGREEMENT
BETWEEN
METRO NORTH COMMUTER RAILROAD COMPANY,
METROPOLITAN TRANSPORTATION AUTHORITY,
CONNECTICUT DEPARTMENT OF TRANSPORTATION
AND
CONSOLIDATED RAIL CORPORATION,
EFFECTIVE AS OF JANUARY 1, 1983

RECEIVED

JUL 30 1991

OFFICE OF
RAIL OPERATIONS

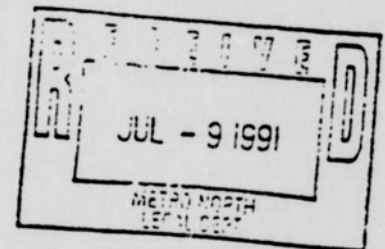


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TRackage RIGHTS AGREEMENT

This Trackage Rights Agreement (Agreement), entered this 6th day of August, 1991, to become effective as of January 1, 1983, is made by and between the Metro North Commuter Railroad Company (METRO NO.), Metropolitan Transportation Authority (MTA), Connecticut Department of Transportation (CDOT), and Consolidated Rail Corporation (Conrail).

WITNESSETH

WHEREAS, the Northeast Rail Service Act of 1981 (NERSA) directed in Section 1137 that Conrail convey to commuter authorities Rail Properties used or useful in the operation of commuter service and retain appropriate trackage rights for its freight operations on those properties; and

WHEREAS, in accordance with NERSA §1136 and §1137, the parties hereto have executed Transfer Agreements, dated as of September 1, 1982 (Transfer Agreements); and

WHEREAS, Section 9.01 of the Transfer Agreements provides that the parties will enter into a trackage rights agreement; and

WHEREAS, litigation before the Special Court, established by the Regional Rail Reorganization Act of 1973, has confirmed Conrail's right to continue freight operations under the terms of the Harlem-Hudson Lease Agreement, the MTA Purchase and Lease Agreement and the CTA Lease Agreement; and

WHEREAS, in accordance with NERSA and the Transfer Agreements, it is necessary to establish appropriate rights and responsibilities between the parties for continued operation of rail commuter passenger and freight service over MTA/CDOT Rail Properties and Conrail Rail Properties;

NOW, THEREFORE, in consideration of the covenants, agreements, representations, and warranties contained herein, and intending to be legally bound, METRO NO., MTA, CDOT and Conrail agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions

(a) "Actual Costs" shall mean all expenses incurred by the party in connection with a transaction, including retroactive wage adjustments and the party's applicable additives and over-head rates in effect at the time the work is performed.

(b) "CDOT" shall mean the Connecticut Department of Transportation.

(c) "Car Mile" shall mean a locomotive, car, unit of self-propelled work equipment, whether or not loaded, whether or not carrying passengers or freight, moved one mile over Rail Properties.

(d) "Conrail" shall mean the Consolidated Rail Corporation, a corporation organized under the laws of the Commonwealth of Pennsylvania.

(e) "Conrail Rail Properties" shall mean the rail properties, including (except as otherwise specifically provided herein) additions and betterments thereto, enumerated and so identified in Exhibits 2 and 6 hereto.

(f) "Crossover" shall mean a track fixture which is used to switch a train from one track to an adjacent parallel track and consists of two (2) turnouts. A turnout consists of a switch and other track components.

(g) "NERSA" shall mean the Northeast Rail Service Act of 1981.

(h) "METRO NO." shall mean the Metro North Commuter Railroad Company, a public benefit corporation of the State of New York and a wholly owned subsidiary of Metropolitan Transportation Authority.

(i) "MTA/CDOT Rail Properties" shall mean the rail properties identified in Exhibits 1, 4 and 5 owned or leased by MTA, METRO NO. or CDOT, respectively, including facilities existing thereon and additions and betterments thereto. Rail Properties identified in Exhibits 4 and 5 are those properties which are presently used solely by Conrail for its freight operation. Properties identified in Exhibit 1 are those jointly used properties which have been or are presently used by Conrail for its freight operations and are presently used by METRO NO. for its passenger operations.

(j) "MTA" shall mean the Metropolitan Transportation Authority.

(k) "Non-Routine Maintenance" shall be that work generally performed and programmed on a maintenance cycle, on a project or emergency basis, including, but not limited to, partial or entire replacement of switch timbers, ties, metal materials, ballast, switch stands, signal apparatus, and derails, if any.

(l) "Owner" shall mean Conrail, when referring to Conrail Rail Properties, and shall mean METRO NO. when referring to MTA or CDOT Rail Properties.

(m) "Parties" shall mean Conrail, METRO NO., MTA and CDOT collectively.

(n) "Rail Properties" shall mean the MTA/CDOT Rail Properties or Conrail Rail Properties as set forth in the Exhibits to this Agreement.

(o) "Routine Maintenance" shall be that work performed by basic maintenance forces including, but not limited to, inspections, switch stand and rod adjustments, lubricating, welding, respiking, spot surfacing and tamping, signal department tests and inspection, snow removal and turnout surfacing.

(p) "Transfer Agreements" shall mean the Agreements between MTA and CDOT, respectively, and Conrail, dated as of September 1, 1982, setting forth terms and conditions for the transfer of commuter rail properties and operations.

(q) "User" shall mean Conrail, when referring to MTA/CDOT Rail Properties, and shall mean METRO NO. when referring to Conrail Rail Properties.

ARTICLE II
ACCESS TO RAIL PROPERTIES

Section 2.01. Access to MTA and CDOT Rail Properties

(a) MTA and CDOT hereby grant to Conrail, subject to the provisions of this Agreement, the right to enter upon and utilize the existing tracks and related operating facilities located on MTA or CDOT Rail Properties listed in Exhibits 1, 4 and 5 for the purpose of performing Conrail's freight service, including such service operated by Conrail for others. This right shall be the same as that granted to the Penn Central Corporation in (1) the Harlem-Hudson Lease Agreement, as amended, (2) the MTA Purchase and Lease Agreement, as amended, and (3) the CTA Lease Agreement, as amended, and transferred to Conrail pursuant to the Final System Plan and affirmed by the Special Court in action No. 83-14.

(b) MTA acknowledges Conrail's continuing right to use:

(1) the freight trackage rights reserved to Penn Central in the Harlem-Hudson Lease Agreement, as amended, and in the MTA Purchase and Lease Agreement, as amended; and transferred to Conrail pursuant to the Final System Plan (affirmed by Special Court Action No. 83-14) subject to the use levels set forth in Appendix III-A of said Agreements, without payment for such use;

(2) the said trackage rights in excess of the use levels set forth in Appendix III-A, for which excess freight

use Conrail shall pay METRO NO. in accordance with Article V hereof;

(c) CDOT acknowledges Conrail's continuing right to use:

(1) the freight trackage rights reserved to Penn Central in the CTA Lease Agreement and transferred to Conrail pursuant to the Final System Plan, except for the segment between Derby Jct. and Waterbury, subject to the use levels set forth in Appendix III-A of said CTA Lease Agreement, without payment for such use;

(2) the said trackage rights in excess of the use levels in said Appendix III-A, for which excess freight use Conrail shall pay METRO NO. in accordance with Article V hereof.

(d) NERSA Rail Properties

MTA and CDOT hereby affirm that, subject to the provisions of this Agreement, Conrail has retained easements (except easements presently held by other railroads) for freight operations over rail properties conveyed in fee to MTA or CDOT pursuant to the provisions of NERSA and the Transfer Agreements dated as of September 1, 1982 and as reserved in the deeds from Conrail to MTA or CDOT.

(e) MTA will lease to Conrail for the sum of \$1.00 (the receipt of which is hereby acknowledged) all of that property known as Chevy Yard, Tarrytown, New York, necessary for Conrail freight operations and service to freight customers. This property shall be designated as an Exhibit 4 Rail Property.

(f) Where practicable, Conrail, at its sole cost and expense, shall arrange for and obtain necessary heat, water, electricity and other utility services required for its use. In the event it is impracticable to secure any of such services other than through facilities owned by MTA or CDOT, Conrail shall install, at its expense, if economically feasible and where permitted by law, necessary connections, supply lines and meters to measure its consumption of such services. In the event separate metering is not feasible, the utility bill shall be allocated on a fair and reasonable basis. Neither MTA nor CDOT shall be liable for any temporary suspension of any such services unless caused by either MTA or CDOT's negligence or that of their respective agents or employees. Conrail shall have the right to use facilities, connections, supply lines and meters presently serving the involved Rail Properties.

Section 2.02. Changes in Use of MTA/CDOT Rail Properties

MTA, CDOT or METRO NO. reserve the right to redesignate the category in which MTA or CDOT Rail Properties shown on Exhibits 1, 4 and 5 are listed to reflect changes in the nature of passenger services operated over such properties, provided that in the event METRO NO. or CDOT institute passenger service over Rail Properties listed in Exhibits 4 or 5, it shall redesignate such properties as jointly used, and, provided further, that in

the event Conrail's operation over any of MTA or CDOT Rail Properties shall terminate, such property shall be deleted from the Exhibits.

Section 2.03.. Access to Conrail Rail Properties

(a) Conrail hereby grants to METRO NO., subject to the provisions of this Agreement, the right to enter upon and utilize tracks and related operating facilities located on Conrail Rail Properties listed in Exhibits 2 and 6 for the purpose of performing rail commuter passenger service.

(b) Conrail hereby grants to CDOT, subject to the provisions of this Agreement, the right to enter upon and utilize the tracks and related operating facilities of the Danbury Secondary (L.C. 4246) between Derby Junction and the Connecticut-New York State Line at about Mile Post 71.2 for the purpose of performing rail commuter passenger service.

(c) In the event that METRO NO. or CDOT extends its rail passenger service pursuant to the Transfer Agreements to other Conrail properties not listed in Exhibits 2 and 6, the provisions of this Agreement shall apply and such properties shall be immediately added to Exhibit 2 or 6 as appropriate.

(d) Conrail retains its right to use, or permit another party or parties to use, Conrail Rail Properties for any rail purposes, provided that such utilization does not unreasonably interfere with METRO NO.'s or CDOT's Trackage Rights.

(e) Where practicable, METRO NO., at its sole cost and expense, shall arrange for and obtain necessary heat, water, electricity and other utility services required for its use. In the event it is impracticable to secure any of such services other than through facilities owned by Conrail, METRO NO. shall install, at its expense, if economically feasible and where permitted by law, necessary connections, supply lines and meters to measure its consumption of such services. In the event separate metering is not feasible, the utility bill shall be allocated on a fair and reasonable basis. Conrail shall not be liable for any temporary suspension of any such services unless caused by its negligence or that of its agents or employees. METRO NO. shall have the right to use facilities, connections, supply lines and meters presently serving the involved Rail Properties.

ARTICLE III

MANAGEMENT AND OPERATIONS

Section 3.01. New Haven Service Agreement

As between MTA, CDOT and METRO NO., nothing in this Agreement is intended to amend or negate any provisions of the Amended and Restated Service Agreement ("Service Agreement") dated June 21, 1985 among CDOT, MTA and METRO NO. As between MTA, CDOT and METRO NO., in the event of any inconsistency between any provision in this Agreement and the Service

Agreement, the provision of the Service Agreement shall govern, provided, however, that nothing contained in the Service Agreement shall in any way amend, change, alter or otherwise affect Conrail's rights, duties, responsibilities and obligations set forth in this Agreement.

Section 3.02. MTA AND CDOT Rail Properties

(a) As between METRO NO. and Conrail, METRO NO. retains the right to establish the overall policies governing the management and operational control of all rail service over MTA and CDOT Rail Properties, including, but not, limited to, the dispatching and control of all trains. METRO NO.'s right shall not be exercised in a manner which would unreasonably interfere with Conrail's trackage rights.

(b) The scheduling and movement of revenue passenger trains shall take precedence over all other train movements.

(c) Conrail's freight operating rights described in this agreement are for the purpose of permitting Conrail to exercise its trackage rights under Section 2.01 hereof and the agreements referenced therein, including the right to operate its road and local freight trains, as well as switching movements, trains, locomotives, and other on-track equipment. Conrail shall have access to all running, side, switching, yard, and interchange tracks included in MTA or CDOT Rail Properties necessary for the provision of its freight service so long as that access does not interfere with existing or planned METRO NO. or CDOT uses.

(d) Conrail shall have the right to amend and increase the level of its freight service, as provided in Sections 3.03 of the Harlem-Hudson and CTA Lease Agreements and the MTA Purchase and Lease Agreement.

(e) Conrail may perform special and emergency services, provided that such operations do not interfere with then existing METRO NO. uses.

(f) METRO NO. and CDOT reserve the right to operate special or emergency trains over the properties. Reasonable notice of such use shall be given to Conrail.

(g) METRO NO. shall not do, or cause to be done, anything that interferes with Conrail communications on MTA and CDOT Rail Properties.

Section 3.03 Clearances

METRO NO. and CDOT guarantee that Conrail shall have clearance routes satisfactory to Conrail over METRO NO. lines for movement of all types of equipment and shipments which Conrail operated and transported, in both local and through freight service, over these lines as of January 1, 1983. These clearances on MTA and CDOT Rail Properties are those set forth in Exhibit 9. METRO NO. and CDOT also guarantee that Conrail shall have access to all industries located on METRO NO. lines at the same level of utility which existed as of January 1, 1983, so as to permit Conrail to provide freight service to and from any of its customers on MTA or CDOT Rail Properties in the same manner and to the same extent as existed on January 1, 1983. METRO NO.

will promptly notify Conrail of any modifications of Exhibit 9 clearances. If any restrictions on clearances imposed by METRO NO. or resulting from its maintenance activities after the effective date of this Agreement are more restrictive than the clearances set forth in Exhibit 9, and if such restrictions require alteration of METRO NO. facilities in order to permit Conrail to move freight shipments, such alteration shall be made promptly by METRO NO. at its expense. If a freight shipment exceeds the clearances on Exhibit 9, and requires alteration of METRO NO.'s facilities, such alteration shall be at Conrail's expense. "Facilities" as used in this Section 3.02(g) includes, but is not limited to, catenary wire, electric traction facilities and high level platforms located on MTA and CDOT Rail Properties. Conrail shall have the right to periodically operate its clearance car over MTA/CDOT Rail Properties in order to check the clearance levels, which operation may be conducted at least once every six (6) months. Notwithstanding the above, the parties understand and agree that the provisions as to clearances are subject to applicable state law and regulations as they may exist from time to time.

Section 3.04. Conrail Rail Properties

(a) Conrail retains the right to establish the overall policies governing the management and operational control of all rail service over Conrail Rail Properties, including, but not limited to, the dispatching and control of all trains. Conrail's

right shall not be exercised in a manner which would unreasonably interfere with METRO NO.'s or CDOT's trackage rights.

(b) The scheduling and movement of METRO NO. or CDOT rail passenger commuter trains shall take precedence over all other rail movements except Amtrak regularly scheduled revenue intercity passenger trains.

(c) METRO NO.'s and CDOT's passenger operating rights described in this Agreement are for the purpose of permitting the operation of commuter passenger trains in revenue service as set forth herein and in non-revenue service, as well as special trains, locomotives, and other on-track equipment. METRO NO. and CDOT (the latter insofar as the Connecticut segment of the Danbury Secondary Line is concerned) shall have access to and use of all running, side, switching, yard, and interchange tracks included in Conrail Rail Properties necessary for the provision of its passenger service, provided, however, that these uses will not interfere with Conrail's existing or planned uses.

(d) Subject to the approval of Conrail, which shall not be unreasonably withheld or delayed, METRO NO. or CDOT shall have the right to amend or increase the level of its passenger service; provided, however, that the character, scheduling, or extent of the passenger service shall not unreasonably interfere with Conrail's existing or planned uses of Conrail Rail Properties.

(e) METRO NO., subject to reasonable notice to Conrail, may operate non-scheduled revenue and non-revenue trains, work

trains, self propelled work equipment, and light engine moves, provided that such operations will not interfere with existing Conrail uses and will reimburse Conrail the Car Mile rate set forth in Section 5.03(a) for such movements. METRO NO. special or excursion trains may be operated provided the operation will not interfere with Conrail uses; approval to operate such special or excursion trains must be acquired in advance, in writing. Compensation for the operation of special or excursion trains shall be negotiated on a case by case basis.

(f) METRO NO. regularly scheduled revenue trains, non-revenue trains, work trains and light engine moves may be detoured over Conrail Rail Properties not covered by the Exhibits, in emergencies where interference with Conrail uses will not result; movement and reimbursement to Conrail for such detour trains shall be governed by the rates and provisions established in the AAR Standard Form For Detour Agreement, then in effect of which a current copy is attached and incorporated herein as EXHIBIT 10.

Section 3.05. General Provisions

(a) 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, or equipment in the possession of or operated by one of the Parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or the responsibility 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, or equipment shall be considered those of the latter Party.

(b) User shall comply with the provisions of applicable federal, 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 Rail Properties. User shall indemnify, protect, defend, and save Owner and its officers, agents, and employees harmless from all fines, penalties, and liabilities imposed upon Owner under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

(c) User in its use of the Rail Properties will comply in all respects with the operating rules and regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Rail Properties shall at all times be subject to the orders of the transportation officers of Owner.

(d) User shall make such arrangements with Owner as may be required to have all of its employees who shall operate its trains, locomotives, cars, and equipment over the Rail Properties qualified for operation thereover. In the event it becomes necessary for Owner to furnish Pilots for the operation of User's trains over Owner's properties, Owner shall be reimbursed for the

Actual Costs of such employees and such employees shall be considered as employees of User for purposes of Article 6 of this Agreement.

(e) In the event Owner conducts an investigation or hearing concerning the violation of any operating rule or practice of Owner by an employee or employees of the User, except officers of User, User shall be notified in advance of any such investigation or hearing. Such investigation or hearing may be attended by any official designated by User and shall be conducted in accordance with the collective bargaining agreements, if any, that apply to said employee or employees.

(f) Owner shall have the right to exclude from the Rail Properties, for the length of time specified in a disciplinary proceeding, any employee of User, except officers, determined by Owner, as the result of such investigation or hearing described above, to be in violation of Owner's rules, regulations, orders, practices or instructions issued by Timetable or otherwise. User shall release, indemnify, defend and save harmless Owner and its officers, agents and employees from and against any and all claims and expenses resulting from such exclusion.

(g) If by reason of any mechanical failure or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled and unable to proceed under its own power, or fails to maintain the speed required by Owner on the Rail Properties, or, if in emergencies, crippled or otherwise defective cars are set out of User's trains on the Rail

Properties, Owner shall have the option of allowing the User to furnish motive power or such other assistance as may be necessary to haul, help, or push such trains, locomotives or cars, or to properly move the disabled equipment off the Rail Properties, or the Owner, after notice to User, may perform the necessary functions. User shall reimburse Owner for rendering any such assistance based on the Actual Costs or the Owner's standard schedule of charges then in effect.

(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 Rail Properties, such work shall, at the option of the Owner, after notice to User, be done by the User or the Owner. User shall reimburse Owner for the Actual Cost of rendering any such assistance.

ARTICLE IV

MAINTENANCE AND CONSTRUCTION ON RAIL PROPERTIES

Section 4.01. Responsibility for Maintenance and Construction of MTA and CDOT Rail Properties

(a) As between METRO NO. and Conrail, METRO NO. shall retain the right to establish and carry out the overall policies governing maintenance, construction, reconstruction, and alteration of all MTA and CDOT Rail Properties. METRO NO.'s rights shall not be exercised in a manner which would unreasonably interfere with Conrail's trackage rights. As between MTA, METRO-NO. and CDOT, management control of CDOT Rail

Properties shall be governed by the Amended and Restated Service Agreement.

(b) With respect to MTA or CDOT Rail Properties in Exhibit 5, METRO NO. or its designee shall have the responsibility to perform all - maintenance, construction, reconstruction, or alteration on these Rail Properties. Notwithstanding the preceding sentence, Conrail shall determine the level of and requirements for maintenance, and shall bear the actual costs therefor as long as there is no regular use of these facilities by METRO NO. or until freight service thereon is discontinued by Conrail. In the event that METRO NO. redesignates properties as a Jointly Used MTA/CDOT Rail Property under Section 2.02 hereof, the level of maintenance shall be brought to no less than Federal Railroad Administration Class 1 standards. METRO NO. shall have the right to perform the necessary work and Conrail shall pay the actual costs incurred by METRO NO. in bringing the property to the specified maintenance level, but no expense for upgrading the property above the FRA Class 1 level may be charged to Conrail.

(c) As between METRO NO. and Conrail, with respect to MTA or CDOT Rail Properties in Exhibits 1 and 5, METRO NO. or its designee shall have the responsibility to perform or to arrange for the performance of the maintenance, construction, reconstruction, and alteration on such properties.

Section 4.02. Maintenance of Freight Facilities
on MTA and CDOT Rail Properties.

(a) METRO NO. shall perform routine and non-routine track maintenance together with the maintenance of signal appliances and derails, if any, for the portion of solely freight turnouts to sidings located between the point of switch and the clearance point (or mutually defined point beyond the clearance point) and both turnouts of any solely freight crossover out of the main track. Such facilities are listed on Exhibit No. 3.

(i) The routine and non-routine maintenance expenses incurred by METRO NO. with respect to these facilities are not included in the car-mile reimbursement provided in Section 5.01(a) hereof. The cost of such work shall be charged to Conrail in accordance with Section 5.01(b) hereof.

(b) In the event that Conrail advises that any solely freight facility is not required for the performance of Conrail's freight service, the provisions of Section 4.04(g) shall apply. In the event an emergency situation occurs which requires the total or partial replacement of a solely freight facility, METRO NO., subject to the verbal approval of Conrail's General Manager or his representative, shall proceed with the work and shall bill Conrail in accordance with the provisions of Section 5.05(b), except to the extent said facility is covered by Section 5.01(b).

(c) METRO NO. shall perform FRA-mandated inspections, automatic grade-crossing protection inspection and repair

and emergency repairs, including those resulting from derailments on the portion of solely freight sidings located beyond the clearance point (or mutually defined point beyond the clearance point). Such facilities are listed on Exhibit 5. The cost of such work shall be charged to Conrail in accordance with Section 5.05(b) hereof.

(d) In addition to maintenance of properties and facilities, METRO-NO. and Conrail shall from time to time, upon reasonable request, perform services necessary to assist the other in carrying out its services and operations, including without limitation such services as train control, wrecking and derailments, snow plowing service and pilot services. The parties agree, however, that Conrail will not be required to perform snow removal at passenger station facilities. Requests for the above described services will be considered promptly and not unreasonably refused, subject to the prior operating and service needs of the party receiving the request. Requests shall be in writing, except that oral requests may be acted upon in unusual circumstances, subject to prompt confirmation in writing. Performance and payment for such services shall be at the Actual Cost of the party performing the service.

Section 4.03. Maintenance and Other Services

(a) Maintenance and other services provided under this Agreement shall be performed in an economic and efficient manner. Properties and facilities are to be maintained by METRO NO. at

the level of maintenance specified in the exhibits, as amended from time to time by agreement, provided that all tracks maintained by METRO NO. hereunder shall be inspected and maintained at a level sufficient to meet Federal Railroad Administration (FRA) track safety standards for Class 1 track. Cost of maintenance of properties or facilities used by Conrail at levels above FRA Class 1 standards shall be at METRO NO.'s sole cost and expense unless otherwise requested or agreed upon by Conrail. Properties or facilities are to be maintained by Conrail at the level of repair specified in the exhibits.

(b) In the event Conrail wishes any properties or facilities used by Conrail, and for which charges are billable to Conrail, to be rehabilitated or upgraded, or wishes METRO NO. to carry out special projects or new construction on Conrail's behalf, Conrail's Senior Vice President-Operations or his designee will submit a written notice to METRO NO. to that effect, including the submission of complete specifications for the upgrading or construction requested. Any such proposal shall be subject to METRO NO. engineering approval. In the event such notice is submitted and if METRO NO. agrees to do the work, METRO NO., within 45 days following receipt of the notice, will submit to Conrail a Force Account Estimate for work to be performed and a time schedule. When the estimate and work schedule are approved in writing by Conrail, such notice will constitute an order to begin work.

(c) Conrail may, at its discretion and subject to METRO NO.'s approval, which approval shall not be unreasonably withheld, furnish material for any upgrading, special projects, or new construction requested hereunder. If it appears that the cost of the work will exceed the Estimate, METRO NO. will notify Conrail of the status of the project and, if it is to proceed, the need to secure additional authority for such additional cost. METRO NO. shall not be obligated to incur costs in excess of those approved by Conrail. If METRO NO. does not undertake the work, Conrail or its contractors shall be granted reasonable access to MTA/CDOT Rail Properties to carry out the work.

(d) In the event that METRO NO. for its own purposes determines that any properties or facilities, which under this Agreement are the responsibility of Conrail and the expenses for maintenance are chargeable to Conrail, should be upgraded, renewed or require special attention, METRO NO. will notify Conrail's Senior Vice President-Operations of its desires. If Conrail agrees, METRO NO. shall prepare a description of the desired work including, where necessary, detailed plans, which will be submitted to Conrail for its concurrence. The actual cost of the upgrading, renewal or special projects shall be paid by METRO NO. and the parties shall review the impact of any changes on future maintenance expenses and, if necessary, allocate those expenses between the parties, as they may agree.

(e) The provisions set forth in subsections (b) and (c) above will be followed in a similar manner in dealing with a

notice by METRO NO. to Conrail of METRO NO.'s desire that Conrail carry out similar projects with respect to properties or facilities billable to METRO NO.

(f) Each party agrees to use its best efforts to provide services necessary to deal with emergency situations on their respective properties or facilities or with other operating emergencies. Oral notice of the need for emergency service may be acted upon, subject to written confirmation as soon as possible, but in any event within 5 days after verbal authorization. The party performing such services may submit bills to the other for such services and shall include therein the name and title of the officer who requested and authorized such services. Projects desired by one party involving special projects or new construction involving costs of \$25,000 or less may be carried out by the other upon oral notice subject to the same confirmation and billing procedures as for emergency services.

(g) Except where otherwise indicated, Conrail agrees, at METRO NO.'s expense, to maintain the track, communication and signal systems, bridge and building structures, and other solely passenger facilities identified in Exhibits 6 and 7. The cost of such work shall be charged to METRO NO. in accordance with the appropriate provisions of Article V.

Section 4.04 Installation, Connection, Maintenance, and Removal of Industrial Sidetracks.

(a) Conrail has the right to install track connections for rail lines and trackage owned, leased, controlled or operated by Conrail or its freight customers contiguous or adjacent to the MTA/CDOT Rail Properties in order to perform its freight service and to contract with those industries for the installation, construction, maintenance, and removal of industrial sidetracks which will be connected to tracks or connections on MTA/CDOT Rail Properties. The following provisions govern the construction, operation, maintenance and removal of sidetracks which have been constructed or are to be constructed for the purpose of providing rail freight service to industries served or to be served by Conrail which are connected to MTA/CDOT Rail Properties.

(b) Whenever Conrail plans to construct a new industrial sidetrack which will be connected to MTA or CDOT Rail Properties or plans to alter or modify an existing sidetrack, engineering plans and drawings showing the location and dimension of such sidetrack(s), and any construction on MTA/CDOT Rail Properties adjacent to or in support thereof, shall be submitted by Conrail to the Executive Vice President for METRO NO. in quadruplicate for review and approval. Approval of plans and specifications for sidetrack installations or modifications which are consistent with METRO NO.'s general specifications will not be unreasonably withheld or delayed. In the event of any conflict between

freight and passenger operational requirements, passenger requirements shall prevail.

(c) Nothing in this agreement is intended as a grant of rights to industries served by Conrail along the MTA/CDOT Rail Properties. The Industrial Sidetrack Agreement between Conrail and the industry shall in no way govern the terms of this agreement between METRO NO. and Conrail, but shall be limited to matters between the industry and Conrail.

(d) If METRO NO. is willing to undertake the work, all materials for installation of a new sidetrack or modification of existing sidetracks may, at METRO NO.'s discretion, be supplied by Conrail to METRO NO. at a location to be selected by agreement of the parties. Construction, installation, or modification of sidetracks shall be performed in accordance with approved plans on MTA/CDOT Rail Properties by METRO NO. forces or contractors, in return for which Conrail shall compensate METRO NO. in accordance with a force account agreement to be entered into on a case-by-case basis. If METRO NO. does not wish to undertake the work, it will authorize Conrail to do so and will give Conrail, its employees or contractors access to the worksite as necessary for completion of the work, subject to METRO NO.'s operating control, entry permit procedures and flagging requirements, the Actual Costs of which shall be borne by Conrail.

(e) Maintenance of industrial sidings beyond the clearance point may be performed by METRO NO. forces on MTA/CDOT Rail

Properties at Conrail's expense in accordance with Articles IV and V; or by Conrail or its contractors at Conrail's expense, subject to METRO NO.'s operating control, entry permit procedures and flagging requirements. Conrail shall provide to METRO NO., in writing, maintenance standards and instructions for industrial sidetracks prepared in a clear and unambiguous fashion.

(f) Construction and maintenance of that portion of the sidetrack located off MTA/CDOT Rail Properties shall be the responsibility of Conrail or the industry.

(g) Sidetracks - Cessation of Use:

(i) With respect to any industrial sidetracks or public delivery (team) tracks covered by this Agreement which have not been used for any freight shipment during the preceding 24 month period, METRO NO. shall have the option upon 90 days' written notice to propose removal of the connection and any other facilities and appurtenances connected therewith located upon the right-of-way.

(ii) Upon receipt of such notice, Conrail will promptly evaluate whether it or an industry or shippers will have need for the sidetrack or public delivery (team) track currently or in the future. If such need is reasonably anticipated, Conrail will so notify METRO NO. in writing, and the track shall be retained.

(iii) In the event of removal, Conrail shall have the right to retain all sidetrack materials which it has furnished after the effective date of this Agreement for the

construction of new sidetrack connections or the repair or modification of existing sidetracks. Such materials shall be removed by METRO NO. and delivered to a mutually agreeable location for Conrail pickup pursuant to the provisions of subparagraph (i) above at Conrail's expense. METRO NO. shall be entitled to retain all other sidetrack materials, which shall be removed at METRO NO.'s expense.

(iv) Sidetrack materials belonging to Conrail which are removed by METRO NO. pursuant to subparagraphs (i) and (iii) above shall be held for thirty days subsequent to the date that METRO NO. notifies Conrail that the removal of the said connection has been completed and materials delivered to the agreed upon location. Any materials not repossessed by Conrail within the 30-day period may be removed from MTA/CDOT's Rail Properties at Conrail's expense, or disposed of as may then be agreed upon.

Section 4.05. Construction, Reconstruction, and
Alteration of Freight Facilities on
MTA or CDOT Rail Properties

(a) Conrail, with the prior written approval of METRO NO., as to properties owned or leased by MTA or METRO NO. or of CDOT, as to properties owned or leased by CDOT, at Conrail's sole cost and expense, may construct, reconstruct, alter, or improve any freight facility such as yards, public delivery (team) tracks, but specifically excluding buildings, located on MTA or CDOT Rail Properties as

necessary for freight operations, including, but not limited to, increases in weight of rail, changes in signal or communication facilities, freight sidings, and interchange points, provided, however, that any additional expenses for the maintenance of these facilities shall be the sole responsibility of Conrail.

(b) All facilities constructed under subsection (a) for which Conrail furnished material shall remain the property of Conrail unless owned by the Penn Central Corporation and covered by the Harlem-Hudson Lease Agreement. METRO NO. may require Conrail to remove its facilities which are no longer used under the conditions set forth in Section 4.04(g), and to perform the necessary restoration work. This work shall be at Conrail's sole expense.

Section 4.06. Responsibility for Maintenance of
Conrail Rail Properties

Conrail shall have the right to establish and carry out the overall policies governing maintenance, construction, reconstruction, and alteration of all Conrail Rail Properties. Conrail's right shall not be exercised in a manner which would unreasonably interfere with METRO NO.'s or CDOT's trackage rights.

Section 4.07. Level of Maintenance of Conrail
Rail Properties

With respect to Conrail Rail Properties listed in Exhibit 2, Conrail shall determine the level of and requirements for maintenance, construction, reconstruction, or alteration, and shall bear the complete responsibility therefor, provided that the level of maintenance shall not be less than that specified in said Exhibit.

Section 4.08. Construction, Reconstruction, and
Alteration of Solely Passenger
Facilities on Conrail Rail Properties

(a) METRO NO., with the prior written approval of Conrail, at METRO NO.'s sole cost and expense, may construct, reconstruct, alter, or improve any solely passenger facility located on Conrail Rail Properties necessary for passenger operations, including, but not limited to, platforms, stations, electrification, signal or communication facility changes, and passenger sidings; provided, however, that any additional expenses for the maintenance of these facilities shall be the sole responsibility of METRO NO. Such facilities shall not interfere with Conrail's clearances, communications or any other Conrail use of its properties.

(b) All facilities constructed under subsection (a) above shall remain the property of METRO NO. At Conrail's option, it may require METRO NO., at METRO NO.'s sole cost and expense, to

remove facilities which are no longer used and perform the necessary restoration work.

ARTICLE V
COMPENSATION

Section 5.01. MTA/CDOT Rail Properties
Used Jointly With Conrail

(a) Conrail shall pay METRO NO. on a billable car-mile basis for freight service operated over the Exhibit 1 Rail Properties in excess of the use levels permitted without charge under Section 2.01 of this Agreement. The billable car-mile rates are:

	<u>RATES</u>							
<u>Car Miles</u>	1983	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
1st 1 Million Annually	\$.200	.216	.223	.230	.239	.248	.263	.273
Over 1 Million Annually	\$.150	.162	.168	.172	.179	.186	.197	.205

(b) Turnouts and Crossovers

1. Freight Only

(i) The parties agree to a flat rate payment for all maintenance and replacement associated with freight turnouts and crossovers maintained by METRO NO. for Conrail, which turnouts and crossovers are designated as Conrail responsibility in EXHIBIT 3. This flat rate payment shall

constitute the entire amount due for all maintenance and replacement of said turnouts and crossovers.

(ii) The flat rate, using 1983 average weighted costs, shall be \$3,578 per year per turnout for routine maintenance and \$2,301 per year per turnout for non-routine maintenance. Non-routine maintenance shall include both incrementa and entire switch replacement.

(iii) In accordance with paragraphs (i) and (ii) above, Conrail shall pay METRO NO. at the rate of \$489.92 per month per turnout. This rate shall be effective as of January 1, 1983, and shall be escalated annually as provided in Section 5.04(b). Payments shall be made in two (2) increments, one on July 15 and the other on January 15 of each calendar year, covering the periods January 1 through June 30 and July 1 through December 31, respectively. At the time of each payment, Conrail will furnish METRO NO. with a statement indicating, by month, the number of turnouts for which payment is made, together with an explanation of any increase or decrease in the number of turnouts for which payment is submitted.

(iv) Conrail shall have the right to enter MTA/CDOT Rail Properties for the purpose of reviewing the level of maintenance being performed on turnouts and crossovers covered by this Section. In the event Conrail determines that its freight turnouts and crossovers are not being properly maintained, it shall promptly meet with METRO

NO. to discuss the matter. If the parties are unable to reach agreement on this matter, it shall be resolved in accordance with ARTICLE IX of this Agreement.

2. Jointly Used

The parties agree that the flat rate for all maintenance and replacement of freight turnouts and crossovers, as set forth in \$5.01(b)(1), shall apply to turnouts and crossovers used jointly by METRO NO. and Conrail for passenger and freight operations, and that said maintenance and replacement costs shall be shared equally by METRO NO. and Conrail. Conrail shall pay METRO NO. \$244.96 per month per turnout for each turnout designated as joint responsibility on Exhibit 3. This rate shall be effective as of January 1, 1983 and shall be escalated annually as provided in Section 5.04(b).

(c) Beyond Clearance Point Conrail shall pay for Routine and Non-routine Maintenance expenses incurred by METRO NO. relating to each solely freight facility located beyond the clearance point identified in Exhibit No. 5. METRO NO. shall bill Conrail in accordance with Section 5.05(c).

Section 5.02. METRO NO.- Property Owned By MTA, CDOT or METRO NO. Used Solely By Conrail and Maintained By Conrail - Exhibit 4

Conrail will assume all costs associated with maintenance of those properties identified in Exhibit 4 which are properties owned by MTA, CDOT or METRO-NO. and maintained and used solely by Conrail. Should Conrail discontinue its freight service on any of the rail lines identified in Exhibit 4, in whole or in part, the property shall be returned to MTA, CDOT or METRO NO. in at least FRA Class 1 condition.

Section 5.03. Conrail Exhibit 2 Rail Properties

(a) METRO NO. shall pay Conrail on a billable Car-Mile basis for passenger service operated over Exhibit 2 Rail Properties. The billable car mile rates are:

	<u>RATES</u>							
<u>Car Miles</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
1st 1 Million Annually	\$.200	.216	.223	.230	.239	.248	.263	.273
Over 1 Million Annually	\$.150	.162	.168	.172	.179	.186	.197	.205

(b) Turnouts and Crossovers

(i) The parties agree to a flat rate payment for all maintenance and replacement associated with passenger turnouts and crossovers maintained by Conrail for METRO NO., as listed in EXHIBIT 6. This flat rate payment shall constitute the entire amount due for all maintenance and replacement of said turnouts and crossovers.

(ii) The flat rate, using 1983 average weighted costs, shall be \$3,578 per year per turnout for routine maintenance and \$2,301 per year per turnout for non-routine maintenance. Non-routine maintenance shall include both incremental and entire switch replacement.

(iii) In accordance with paragraphs (i) and (ii) above, METRO NO. shall pay Conrail \$489.92 per month per turnout. This rate shall be effective as of January 1, 1983, and shall be escalated annually as provided in Section 5.04(b). Annual payments shall be made in two (2) increments, one on July 15 and the other on January 15 of each calendar year, covering the periods January 1 through June 30 and July 1 through December 31, respectively. At the time of each payment, METRO NO. will furnish Conrail with a statement indicating, by month, the number of turnouts for which payment is made, together with an explanation of any increase or decrease in the number of turnouts for which payment is submitted.

(iv) METRO NO. shall have the right to enter Conrail's properties for the purpose of reviewing the level of maintenance being performed on turnouts and crossovers covered by this Section. In the event METRO NO. determines that its passenger turnouts and crossovers are not being properly maintained, it shall promptly meet with Conrail to discuss the matter. If the parties are unable to reach

agreement on this matter, it shall be resolved in accordance with ARTICLE IX of this Agreement.

Section 5.04 Revision of the Billable Car-Mile and Maintenance Rates

(a) Car-Mile Rate: Beginning in July 1984, and each July 1 thereafter, the Billable Car-Mile Rate identified in Sections 5.01(a) and 5.03(a) shall be increased or decreased on a cumulative basis by the same percentage by which the cost of material, prices, wage rates and supplements combined (excluding fuel), as reflected in the Annual Indexes of Chargeout Prices and Wage Rates, East, (1977=100), Series RCR, included in the "AAR Railroad Cost Indexes", and supplements thereto, issued by the Association of American Railroads or other generally recognized index, if such AAR index ceases to be published, has increased or decreased in the preceding calendar year, using 1982 (161.8) as the base index year. Car-Mile rates calculated in accordance with this provision shall be stated to the nearest one-tenth (1/10) of a cent. The methodology for determining the amount of increase is set forth in Exhibit 8.

(b) Maintenance Rate: Beginning in January 1984, and each January 1 thereafter, the Maintenance Rate identified in Sections 5.01(b) and 5.03(b) shall be increased or decreased by the same percentage by which the cost of material, prices, wage rates and supplements combined

(excluding fuel), as reflected in the Annual Indexes of Chargeout Prices and Wage Rates, East, (1977=100), Series RCR, included in the "AAR Railroad Cost Indexes" and supplements thereto, issued by the Association of American Railroads or other generally recognized index, if such AAR index ceases to be published, has increased or decreased in the preceding calendar year, using 1983 (174.5) as the base index year. Maintenance rates calculated in accordance with this provision shall be stated to the nearest dollar. The rates for the years 1984 through 1989, as well as an explanation of the methodology for determining the amount of increase, are set forth in Exhibit 8, which methodology shall be used for all subsequent increases or decreases under this provision.

Section 5.05. Billing Procedures - Monthly Charges

(a) Billable Car Mile Rate

(i) Within sixty (60) days of the close of the month, METRO NO. shall furnish to Conrail a statement showing by line segment the passenger service billable Car-Miles operated over Conrail Exhibit 2 Rail Properties. The amount to be billed to METRO NO. shall be the difference between the Conrail freight billable Car-Mile cost set forth in Section 5.01(a) and the METRO NO. passenger service billable Car-Mile cost set forth in Section 5.03(a). METRO NO. shall pay

Conrail's invoice within ninety (90) days of its receipt. In the event that the Conrail freight service billable Car-Miles exceed the METRO NO. passenger service billable Car-Miles, Conrail shall pay the amount due METRO NO. within ninety (90) days after receipt of METRO NO.'s Car Mile statement.

(ii) Within sixty (60) days of the close of the month, Conrail shall furnish METRO NO. with a statement showing by line segment the freight service Car Miles operated over the MTA/CDOT Rail Properties listed in Exhibit 1.

(b) Beyond Clearance Point - Non-routine Maintenance

(i) Subject to the provisions of Section 4.02(c), and with written approval of Conrail, METRO NO. shall perform certain maintenance, rehabilitation, construction and reconstruction of the track, communication and signal systems, bridges, buildings and other properties or facilities associated with those locations identified in Exhibit 5. Actual costs incurred with respect to each work order number set forth in Exhibit 5 shall be billable to Conrail, unless otherwise agreed to in writing. Invoices received for work performed under this provision shall be paid within ninety (90) days of receipt.

(ii) Actual Costs incurred with respect to each work order number set forth in Exhibits 6 and 7, shall be billable to METRO NO. unless otherwise agreed to in writing. Invoices received for work performed under this provision shall be paid within ninety (90) days of receipt.

(c) Beyond Clearance Point - Routine Maintenance

Routine maintenance performed by Conrail on those properties identified in Exhibits 6 and 7, and routine maintenance performed by METRO NO. on those properties identified in Exhibit 5 shall be billed to the appropriate party through use of the work order numbers. It shall not be necessary for either party to obtain written approval prior to performing routine maintenance.

(d) Beyond Clearance Point - Additions, Deletions, Abandonment of Exhibit 5, Exhibit 6, or Exhibit 7 Rail Properties.

(1) The properties or facilities and assigned work responsibilities set forth in Exhibits 5, 6, or 7 may be changed from time to time and properties or facilities may be added to or deleted from said Exhibits, subject to agreement by the parties. Any party may delete or add properties or facilities to be maintained by another party, upon written notice to and agreement by the parties.

(ii) If any party discontinues service over any of the properties or facilities owned by another party or permanently ceases to use any such properties or facilities, it shall give written notice to the other party within sixty (60) days of such cessation, advising that it no longer requires such facilities. Within thirty (30) days of receipt of such notice, such facilities shall be removed from coverage by any work order billable to Conrail or METRO NO., as the case may be, provided, however, that no party shall be relieved from expenses incurred for work performed on such facilities prior to termination of service.

Section 5.06. Late Payment

(a) Interest may be charged based on the prime interest rate of the Citibank, N.A., in effect as of the due date of the invoice in the event:

(i) Conrail fails to pay METRO NO. within ninety (90) days after Conrail's receipt of METRO NO.'s Car Mile statement for the billable Car-Mile reimbursement pursuant to Section 5.01(a);

(ii) METRO NO. fails to pay Conrail within ninety (90) days after receipt of Conrail's invoice for the billable Car-Mile reimbursement pursuant to Section 5.03;

(iii) All other amounts payable by either Party pursuant to this Agreement which have not been paid within ninety (90) days after receipt of the invoice from the billing Party, provided that if either Party's failure to make payment within the specified time limits is a direct result of the other Party's failure to supply support data and information as provided for in this Agreement, the interest charge set forth in Section 5.06 shall not be applied.

Section 5.07. Billing Addresses

Billing information, including invoices, shall be directed to:

IF CONRAIL: General Superintendent Contract
Administration
CONSOLIDATED RAIL CORPORATION
P.O. Box 8646
Philadelphia, Pennsylvania 19101-8646

IF METRO NO: METRO NORTH COMMUTER RAILROAD
Manager Accounts Payable
Grand Central Station
P.O. Box 3581
New York, New York 10163

Section 5.08. Disputed Amounts

(a) In the event that there is a dispute as to the amount to be paid, the undisputed portion of the invoice amount shall be remitted and the amounts disputed shall be resolved in accordance with the provisions of Article IX of this Agreement.

(b) For those cases decided through binding arbitration, as set forth in Article IX of this Agreement, if it is determined that there are monies due to the billing Party, there shall be an interest charge levied in accordance with Section 5.06. Interest shall be computed based on the period of time between the original due date of the payment and the date the amount due is remitted.

Section 5.09. Maintenance and Inspection of Records

(a) Each of the Parties shall keep and maintain its books, records, accounts, and supporting workpapers which relate to operations, maintenance, and costs of the Rail Properties for a period of two (2) years, except that records relating to matters in dispute shall be retained until such dispute is resolved. Such records shall be maintained in such a manner as to enable either party to verify the assimilation of charges to a particular bill or work order number and may be computer generated. Additional information as may be required to verify billing, including, but not limited to logs, derailment reports, unusual incident reports, prepared in the normal course of business shall be made available as provided in Exhibit 11 to this Agreement.

(b) During normal business hours, each of the Parties shall have the right to inspect, examine, audit, and reproduce all books, records, accounts, and supporting workpapers of the other

Party which relate to the operations, maintenance and costs of the Rail Properties in support of billings as rendered.

Section 5.10. New Haven Service Agreement

As between MTA, CDOT and METRO-NO., all compensation received from Conrail which is attributable to the New Haven Line shall be allocated in accordance with the Service Agreement.

ARTICLE VI

LIABILITY APPORTIONMENT

Section 6.01. Scope

Financial responsibility for liability for personal injury, death or property damage which may result from activities conducted hereunder shall be allocated as follows in this Article. In no case shall any party claim compensation for loss of revenue from any other party.

Section 6.02. Conrail Employees

Conrail agrees to protect, defend, indemnify and save harmless METRO NO., irrespective of any negligence or fault of METRO NO. or METRO NO. Employees, or howsoever the same shall occur or be caused, from any and all liability for injury to or death of any Conrail Employee, or for loss of, damage to, or destruction of the property of any such Conrail Employee. "Conrail Employee" means a person who is an employee of Conrail or any agent or contractor of Conrail (other than METRO NO.), or

any person who at the time in question is acting within the scope of his or her employment by such agent or contractor. Conrail Employees who are involved in Conrail's provision of services to METRO NO. under this agreement shall be regarded as employees of Conrail, and not of METRO NO. Conrail Employees who are also METRO NO. Passengers at the time in question shall be treated as METRO NO. Passengers and not Conrail Employees, for purposes of this Agreement.

Section 6.03. METRO NO. Employees

METRO NO. agrees to protect, defend, indemnify and save harmless Conrail, irrespective of any negligence or fault of Conrail or Conrail Employees, or howsoever the same shall occur or be caused, from any and all liability for injury to or death of any METRO NO. Employee, or for loss of, damage to, or destruction of any property of any such METRO NO. Employee. "METRO NO. Employee" means a person who is an employee of METRO NO. or any agency or contractor of METRO NO. (other than Conrail), or any person who at the time in question is acting within the scope of his or her employment by such agent or contractor. METRO NO. Employees who are involved in METRO NO.'s provision of services to Conrail under this Agreement shall be regarded for purposes of this Agreement as employees of METRO NO., and not of Conrail. METRO NO. Employees who are also Conrail Passengers at the time in question shall be treated as

Conrail Passengers and not METRO NO. Employees, for purposes of this Agreement.

Section 6.04. Conrail Property

Conrail agrees to protect, defend, indemnify and save harmless METRO NO., irrespective of any negligence or fault of METRO NO. or METRO NO. Employees, or howsoever the same shall occur or be caused, from any and all liability for loss of, damage to, or destruction of any Conrail Property. "Conrail Property" means any locomotive, railroad car, including contents, and any other property, real or personal, owned, leased, used by or otherwise in the custody or possession of Conrail, other than any Conrail rolling stock operating in METRO NO. trains.

Section 6.05. METRO NO. Property

(a) In the event of a collision or occurrence involving a METRO NO. train and a Conrail train, irrespective of any negligence or fault of Conrail or Conrail Employees, or METRO NO. or METRO NO. employees, or howsoever the same shall occur or be caused, METRO NO. and Conrail shall each bear 50% of the liability for all loss of, damage to or destruction of any such METRO NO. Property. "METRO NO. Property" means any locomotive, railroad car, including contents, and any other property, real or personal owned, leased, used by or otherwise in the possession of METRO NO. (including CDOT and/or MTA Rail Properties or other

Section 6.07. METRO NO. Passengers

(a) Except as noted in Section 6.14, in the event of a collision or occurrence involving a METRO NO. train or equipment and a Conrail train or equipment, irrespective of any negligence or fault of Conrail or Conrail Employees or METRO NO. or METRO NO. Employees, or howsoever the same shall occur or be caused, METRO NO. and Conrail shall each bear 50% of the liability for injuries to or death of any METRO NO. Passenger and for loss of, damage to or destruction of the property of any such passenger. "METRO NO. Passenger" means (1) any person other than a METRO NO. employee who is on board a METRO NO. train, except for Conrail Employees directly engaged in their employment for Conrail (not commuting to or from work), (2) any person who is not on board a METRO NO. train, but who has either purchased a ticket valid on METRO NO. trains or holds a travel voucher reflecting personal pass privileges granted by METRO NO. authorizing travel on a METRO NO. train, and (3) any person who is on, getting on or alighting from a METRO NO. train, or who is in a METRO NO. passenger station or on the platform or in the parking area for the purpose of meeting or delivering a person described in (1) or (2) of this sentence, or to purchase a METRO NO. ticket or obtain travel information.

(b) Except as provided in Section 6.07(a) above, METRO NO. agrees to protect, defend, indemnify and save harmless Conrail, irrespective of any negligence or fault of Conrail or Conrail Employees, or howsoever the same shall occur or be caused, from

any and all liability for injuries to or death of any METRO NO. passenger and for loss of, damage to, or destruction of property of any such passenger.

(c) The provisions of this Section 6.07 may be terminated by either party upon 90 days' notice.

Section 6.08. Third Parties: Conrail Trains - Grade Crossing. Trespassers and Off-Premises

Subject to the provisions of Section 6.11 of this Agreement, Conrail agrees to protect, defend, indemnify and save harmless METRO NO. irrespective of any negligence or fault of METRO NO. or METRO NO. Employees, or howsoever the same shall occur or be caused, from any and all liability for injury to or death of any person, for loss of, damage to, or destruction of any property other than persons and property for which METRO NO. is responsible under Sections 6.03, 6.05 and 6.07 of this Agreement, if such injury, death, loss, damage or destruction either (i) arises from a collision of a vehicle or a person with a Conrail Train at the intersection at grade, of a street or road, whether public or private, and the tracks over which such Conrail Train is operating, (ii) arises from a collision of a vehicle or a person with a Conrail train on the right-of-way or (iii) occurs when such person or property is located off the right-of-way on which the aforesaid tracks are situated and arises from the operation of a Conrail Train.

Section 6.09. Third Parties: METRO NO. Trains - Grade Crossing, Trespassers and Off-Premises

Subject to the provisions of Section 6.10 of this Agreement, METRO NO. agrees to protect, defend, indemnify and save harmless Conrail, irrespective of any negligence or fault of Conrail or Conrail Employees, or howsoever the same shall be caused, from any and all liability for injury to or death of any person, or for loss of, damage to, or destruction of any property, other than persons and property for which Conrail is responsible under Sections 6.02, 6.04 and 6.06 of this Agreement, if such injury, death, loss, damage, or destruction either (i) arises from a collision of a vehicle or a person with a METRO NO. Train at the intersection at grade, of a street or road, whether public or private and the tracks over which such METRO NO. Train is operating, (ii) arises from a collision of a vehicle or a person with a METRO NO. train on the right-of-way or (iii) occurs when such person or property is located off the right-of-way on which the aforesaid tracks are situated and arises from the operation of a METRO NO. Train.

Section 6.10. Third Parties: Conrail Residuals

Conrail agrees to protect, defend, indemnify and save harmless METRO NO., irrespective of any negligence or fault of METRO NO. or METRO NO. Employees, or howsoever the same shall occur or be caused, from any and all liability for injury to or death of any person or for loss of, damage to or destruction of any property, other than persons and property for which METRO NO.

Section 6.13. Liabilities Arising from Hazardous Substances and Electric Traction Facilities

Any other provision of this Article VI to the contrary notwithstanding:

(a) Conrail agrees to indemnify and save harmless CDOT, MTA and METRO NO.- irrespective of any negligence or fault of METRO No. or METRO NO. employees, or howsoever the same shall occur or be caused, from any and all damage and liability for injury to or death of any person or for loss of, damage to or destruction of any property, other than persons and property for which METRO No. is responsible under Section 6.03 hereof, where such injury, death, loss, damage or destruction arises from the transportation in Conrail Trains on MTA/CDOT Rail Properties of hazardous or toxic materials as defined in applicable federal or state laws or regulations, and including petroleum, crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance by such federal or state laws or regulations, provided, however, that Conrail also shall be required to indemnify and save harmless CDOT, MTA and METRO NO. for injury or death to, or destruction of or damage to property of, METRO NO. passengers (as defined in Section 6.07) under this subsection only to the extent such injury, death, damage or destruction arises from Conrail's negligence or from malicious or criminal acts of third parties. Hazardous or toxic materials shall also include natural gas, natural gas liquids, liquified

natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and such synthetic gas).

Notwithstanding any provisions of this Agreement to the contrary, damage for which Conrail is responsible under the preceding paragraph shall include clean-up, removal, and remedial action required by law or the lawful directive of any agency having jurisdiction thereof, and restoration of hazardous or toxic materials on such property to a level commensurate with the existing condition of such property immediately prior to such damage.

(b) METRO NO. agrees to indemnify and save harmless Conrail and Conrail employees, irrespective of any negligence or fault of Conrail or Conrail employees, or howsoever the same shall occur or be caused, from any and all damage and liability for injury to or death of any person or for loss of, damage to or destruction of any property, other than persons and property for which Conrail is responsible under Sections 6.02 and 6.06, where such injury, death, loss, damage or destruction arises from the transportation in or servicing of METRO NO. Trains on Conrail property of hazardous or toxic materials as defined in applicable federal or state laws or regulations, and including petroleum, crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance by such federal or state laws or regulations. Hazardous or toxic materials shall also include natural gas, natural gas liquids,

liquified natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and such synthetic gas).

Notwithstanding any provision of this Agreement to the contrary, damage for which METRO NO. is responsible under the preceding sentence shall include clean-up, removal, and remedial action required by law or the lawful directive of any agency having jurisdiction thereof, and restoration of any portion of Conrail property that is damaged by METRO NO.'s transportation or use of hazardous or toxic materials on Conrail property to a level commensurate with the existing condition of such property immediately prior to such damage.

(c) METRO NO. shall protect, defend, indemnify and save harmless Conrail, irrespective of any negligence or fault of Conrail or Conrail Employees, or howsoever the same shall occur or be caused, from any and all liability (other than liability for which Conrail is responsible under Section 6.02 hereof) resulting from the existence or operation of electric traction facilities, whether overhead or third rail, in the area of METRO NO. operations so long as Conrail does not use such electric traction facilities in its freight operations.

Section 6.14. Liability Insurance

For so long as Conrail has trackage rights over METRO NO., MTA or CDOT Rail Properties, Conrail shall maintain liability insurance covering the contractual indemnification and hold harmless covenants set forth in this Article VI. Such liability

insurance shall cover any and all damages, liabilities, claims and lawsuits in connection with or arising out of the operation of Conrail freight service, including, but not limited to, liability under the Federal Employer's Liability Act and the Federal Safety Appliance Acts. Deductible amounts of such insurance shall be those generally applicable to Conrail operations.

For so long as METRO NO. has trackage rights over Conrail Rail Properties, METRO NO. shall maintain liability insurance covering the contractual indemnification and hold harmless covenants set forth in this Article VI. Such liability insurance shall cover any and all damages, liabilities, claims and lawsuits in connection with or arising out of the operation of METRO NO. service, including, but not limited to, liability under the Federal Employer's Liability Act and the Federal Safety Appliance Acts and liability to METRO NO. passengers. Deductible amounts of such insurance shall be those generally applicable to METRO NO. operations.

Section 6.15. Handling of Claims and Lawsuits; Cooperation

In the event a claim is filed or lawsuit brought against Conrail or METRO NO. (including MTA and/or CDOT) asserting a liability against which one party has agreed to indemnify and save harmless the party receiving the claim or being sued, the indemnifying party shall, at its sole cost and expense, investigate and handle the claim and defend the lawsuit and save

harmless the indemnified party against all costs and expenses thereof and pay any legitimate claim, settlement or final judgments. The party receiving any claim or notice of suit shall promptly advise the indemnifying party and provide all information which from time to time may be required, provided, however, that in those instances in which the parties have agreed to share the passenger liability, it is agreed that METRO NO. will handle all claims and lawsuits involving its passengers. Each party agrees that it will furnish the other with all available information in its possession relating to lawsuits and claims made for injury, death, loss, damage or destruction of property whenever requested by the party handling the claim or lawsuit. All expenses incurred in connection with the furnishing of such information shall be borne by the requesting party.

ARTICLE VII

CLEARING WRECKS

Section 7.01. Incidents on MTA or CDOT Rail Properties

(a) (1) When as a result of the operation of a Conrail train on MTA/CDOT Exhibit 5 Rail Properties rerailling, wrecking service or wreck train service is required, Conrail shall perform, or arrange to have performed, such service at Conrail's expense, including, without limitation, removal of damaged equipment.

(2) In the event that METRO NO.'s special use of these properties results in the need to clear wrecks, the provisions of Section 7.02 shall apply.

(b) With respect to incidents on MTA or CDOT Exhibit 1 Rail Properties, the following provisions shall apply:

(1) When, as a result of the operation of a Conrail Train on MTA/CDOT Exhibit 1 Rail Properties, rerailing, wrecking service or wreck train service is required, METRO NO., with the cooperation, assistance, and advice of Conrail, shall have the option of having Conrail perform such service, or perform it by itself or by its contractor at Conrail's sole cost and expense, including, but not limited to, removal of damaged equipment.

(2) When, as a result of METRO NO.'s and Conrail's joint use of Exhibit 1 Rail Properties, rerailing, wrecking service or wreck train service is required, the provisions of Section 7.01(b)(1) and (2) will apply, except that all costs, including without limitation, liability costs, will be apportioned in accordance with the provisions of Article VI.

(c) All Conrail locomotives, cars, equipment, lading (including loss thereof), and salvage from any such wreck or derailment under the management or control of METRO NO. shall remain the property of Conrail. All METRO NO. locomotives, cars, equipment, lading (including loss thereof), and salvage involved

in such wreck or derailment shall remain the property of METRO NO.

Section 7.02. Incidents on Conrail Rail Properties

(a) When-as a result of the operation of a METRO NO. train on Conrail Rail Properties, rerailling, wrecking service, or wreck train service is required, Conrail promptly shall perform, or promptly arrange to have performed, such service at METRO NO.'s expense, including, without limitation, removal of damaged equipment provided that METRO NO. shall be permitted to remove its damaged equipment at its own expense.

(b) When as a result of METRO NO.'s and Conrail's joint use of Conrail Rail Properties, rerailling, wrecking service, or wreck train service is required, the provisions of Section 7.02(a) will apply, except that all costs, including, without limitation, liability costs, will be determined in accordance with the provisions of Article VI.

(c) All METRO NO. locomotives, cars, equipment, lading (including loss thereof), and salvage from any such wreck or derailment under the management or control of Conrail shall remain the property of METRO NO. All Conrail locomotives, cars, equipment, lading (including loss thereof) and salvage involved in such wreck or derailment shall remain the property of Conrail.

Section 7.03 Reports of Incidents

In the event a party performs any service in connection with an incident covered by Section 7.01 or Section 7.02 on its Rail Properties that is billable to another party, the performing party shall maintain a record of said service(s) in accordance with the documents set forth in Exhibit 11.

ARTICLE VIII

TERM, TERMINATION,
RENEGOTIATION, DEFAULT, DISCONTINUANCE

Section 8.01. Term

This Agreement shall be for an initial term of fifteen years commencing as of January 1, 1983. Thereafter, unless sooner terminated under applicable provisions of this Article VIII, this Agreement shall continue in force from year to year, subject to termination by any party on one year's notice. If such notice is given, this Agreement shall continue in force pending renegotiation. Neither a notice of termination nor termination shall affect the parties' rights and responsibilities under The Harlem-Hudson Lease Agreement, The MTA Purchase and Lease Agreement and The CTA Lease Agreement.

shall have continued for more than thirty days after the other party shall have given written notice demanding performance thereof; or

(3) Any material representation or warranty made in this Agreement shall prove untrue; or

(4) Any proceeding shall be commenced by or against either party which might result in any modification of the obligations of such party hereunder under any bankruptcy, insolvency, or similar law (unless all of the obligations of such party under this Agreement shall have been duly assumed by a trustee or successor to such party within sixty days after such proceeding shall have commenced;) or

(b) In the event an Event of Default shall have occurred and be continuing hereunder, the party not in default, upon written notice to the other party, may make a declaration of default (a "Declaration of Default") hereunder and exercise any or all of the following remedies:

(1) Terminate this Agreement by and upon sixty days' written notice to the party in default; and

(2) Pursue any other remedy at law or in equity in any court of competent jurisdiction.

(c) Failure of a party to make a Declaration of Default shall not be considered a waiver of any remedies available to it under this Agreement or otherwise. Nor shall an Event of Default be considered wiped out or satisfied by failure of a party to make a Declaration of Default with respect thereto.

Section 8.05. Discontinuance of Conrail Freight Service

(a) MTA/CDOT Rail Properties

(1) Notwithstanding the provisions of this Agreement, Conrail may seek regulatory authority to abandon its freight operations, in whole or in part, over the MTA/CDOT Rail Properties during the term of the Agreement. Conrail shall provide written notice of its intent to do so to METRO NO. if the Property is located in New York State and to CDOT and METRO-NO. if the property is located in Connecticut.

(b) Conrail Rail Properties

(1) Notwithstanding the provisions of this Agreement, Conrail may seek regulatory authority to abandon its freight operations, in whole or in part, over the Conrail Rail Properties during the term of this Agreement. Conrail shall provide notice to METRO NO. of its intent to do so.

(2) Within thirty days of METRO NO. receipt of Conrail notice of its intent to abandon freight service over Conrail Rail Properties, METRO NO. shall notify Conrail whether or not MTA or CDOT desires to assume ownership of those Conrail Rail Properties for railroad operations.

(3) MTA or CDOT shall have the right of first refusal before any disposition of these Conrail Rail Properties, subject to any preexisting rights or law.

(4) In the event MTA or CDOT should acquire the abandoned Conrail Rail Properties, METRO NO. and Conrail shall cooperate fully to secure such regulatory authority as

may be necessary for MTA's or CDOT's assumption of ownership.

(5) Until such time as Conrail abandons its operations thereover under the foregoing provisions, the terms and conditions of this Agreement shall remain in full force and effect.

(6) The provisions of this Section shall also apply in the event no regulatory authority is required to abandon service.

Section 8.06. Discontinuance of METRO NO. Commuter Service

(a) Notwithstanding the provisions of this Agreement, METRO NO. may take any necessary steps to discontinue its commuter service, in whole or in part, over Conrail Rail Properties. METRO NO. shall provide Conrail with notice of its intent to do so.

(b) Notwithstanding any provisions of this Agreement to the contrary, METRO NO. may discontinue its commuter operations over any of the MTA/CDOT Rail Properties. METRO NO. shall provide notice of its intent to do so, and the following terms and conditions shall apply:

(1) Within thirty (30) days of receipt of METRO NO.'s notice, Conrail will notify METRO NO. whether it wishes to continue freight service over all or part of the MTA/CDOT Rail Properties in question. In the event that it does so,

the property designated by Conrail shall be redesignated from Exhibit 1 to Exhibit 4 of this Agreement, and Conrail's trackage rights shall continue.

(2) Such Rail Properties shall also be redesignated as Exhibit 4 in the event that METRO NO. has operated no commuter service thereover for a period of five years.

(c) If either MTA or CDOT intends to sell or dispose of any of its Rail Properties, as defined in this Agreement, it will notify Conrail and within thirty days of receipt of its notice, Conrail shall notify either MTA or CDOT, as appropriate, whether it desires to assume ownership of those properties for railroad operation. Conrail will have the right of first refusal before any disposition of these MTA or CDOT Rail Properties subject to preexisting rights and statutes.

ARTICLE IX

DISPUTE RESOLUTION

Section 9.01. Resolution of Disputes Concerning Operations and Costs

In the event, and at such time as, any operating or cost dispute shall arise under this Agreement between Conrail and METRO NO., including any disagreement with any current Conrail, METRO NO., or federally mandated operating or safety rule, order, procedure, or standard applicable to such properties, either party shall have the right to submit such dispute or matter for binding determination by an arbitration panel.

The parties agree that before any operating or cost dispute is submitted to arbitration every effort will be made to resolve said dispute. In order to facilitate resolution of any operating or cost dispute, the parties agree to establish a committee, consisting of three members to be appointed by Conrail and three members to be appointed by METRO NO.

In the event the committee is unable to resolve any dispute or controversy within sixty (60) days of submission, it may be submitted by a party to binding arbitration in accordance with the procedures established in Sections 6.02-6.04 of the Harlem-Hudson and CTA Lease Agreements.

Section 9.02. Resolution of disputes concerning matters other than operations and costs.

In the event and at such time as a dispute arises as to any matter other than operations or costs as set forth in Section 9.01 above, any party shall have the right to submit such matter for binding determination by an arbitration panel.

The parties agree that before any such dispute is submitted to arbitration, every effort will be made to resolve said dispute. In the event a particular dispute cannot be resolved after good faith efforts on the part of the parties involved, a party may submit it to binding arbitration in accordance with the procedures established in Sections 6.02-6.04 of the Harlem-Hudson and CTA Lease Agreements.

Section 9.03. Arbitration under Amended and Restated
Service Agreement.

The parties agree that in the event of any dispute affecting only MTA, CDOT and/or METRO-NO., which does not involve Conrail, arbitration will be in accordance with Article Ten of the Amended and Restated Service Agreement among CDOT, MTA and METRO-NO. dated June 21, 1985.

ARTICLE X

GENERAL PROVISIONS

Section 10.01. Labor Rights

(a) The User agrees that its entrance upon and use of the Owner's properties is for its corporate purpose of providing service pursuant to appropriate authority and that such use does not create or continue any rights on the part of the User's employees or its contractors with respect to any other current or future use of the Owner's properties, including, but not limited to, maintenance, operation, rehabilitation, and improvement thereof by the Owner or Owner's contractors. Notwithstanding the provisions of Section 3.03(e), the User shall indemnify, defend, and hold harmless the Owner and the Owner's contractors against any liability arising from any claim of employment rights, or employment protection, arising from the performance of any work

for the User on the Owner's properties by the Owner or the Owner's contractors under this Agreement.

(b) Nothing contained in this Agreement shall require either party to perform any service or take any action which would violate any term or condition of any then-current labor agreement between the respective parties and any organization representing any of their respective employees or which would violate any applicable law.

Section 10.02. Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the successors and assigns of the parties hereto. Except as provided in the following sentence, no party hereto shall assign or transfer this Agreement or any of its rights thereunder to any person, firm or corporation without obtaining the prior written consent of the other parties to this Agreement, which consent shall not be unreasonably withheld. In the event, however, that METRO-NO. should no longer be rail service operator on the CDOT Rail Properties under the Amended and Restated Service Agreement or substitute agreement, METRO-NO.'s rights and obligations under this Agreement pertaining to such properties and the Conrail Rail Properties located in the State of Connecticut automatically shall be assigned to and assumed by CDOT or its approved service operator without any further action being necessary. CDOT shall promptly notify Conrail of any such assignment and assumption.

Section 10.03. Force Majeure

(a) METRO NO. will be excused from its obligation under this Agreement to provide, operate, and maintain MTA and CDOT Rail Properties where non-performance is occasioned by any event beyond its control.

(b) Conrail will be excused from its obligations under this Agreement to provide, operate, and maintain Conrail properties where non-performance is occasioned by any event beyond its control.

Section 10.04. Amendment

(a) No term or provision in this Agreement may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the parties to this Agreement.

(b) All approvals and consents required under this Agreement shall be in writing, signed by a person designated in writing for such purpose unless otherwise provided in this Agreement or agreed to in writing by the parties. Any oral notices permitted by this Agreement shall be promptly confirmed in writing.

Section 10.05. Notices

(a) Unless otherwise provided in this Agreement, any notices required in this Agreement shall be in writing and sent to the parties at the addresses listed below, unless either party shall inform the other party in writing of any change in that address:

Conrail: Consolidated Rail Corporation
Senior Vice President-Operations
Six Penn Center Plaza
Philadelphia, PA 19103

METRO NO.: Metro North Commuter Railroad
Attention: Vice President - Operations
347 Madison Avenue
New York, NY 10017

CDOT: Connecticut Department of Transportation
Attention: Director of Rail Operations
P.O. Drawer A
24 Wolcott Hill Road
Wethersfield, CT 06109

MTA: Metropolitan Transportation Authority
Attention: Chairman
347 Madison Avenue
New York, NY 10017

Section 10.06. Effect of Execution and Performance

The parties do not, by reason of their execution of and the performance of their obligations under this Agreement, assume any other obligations or liabilities not imposed upon them by law.

Section 10.07. No Representations and Waivers

Except as expressly provided herein, the parties make no representations or warranties and waive no rights or remedies.

Section 10.08. Non-Discrimination

(a) As between MTA, METRO NO. and Conrail, the parties do hereby agree that the provisions of Sections 1266-C(13) and (14) of the New York Public Authorities Law, as amended and supplemented, dealing with discrimination in employment on public contracts, as set forth in Exhibit 12, are hereby made a part of

this Agreement and, to the extent applicable, are binding upon them.

(b) As between CDOT on one hand and MTA, METRO NO. and Conrail on the other, MTA, METRO NO. and Conrail agree to comply with the applicable State of Connecticut and federal laws and regulations as set forth in Exhibit 13, which are hereby made part of this Agreement.

Section 10.09. Effective Date

The effective date for purposes of this Agreement shall be January 1, 1983. It supersedes the Interim Trackage Rights Agreement effective January 1, 1983 as amended. In accordance with Section 6.01 of the Interim Agreement, costs agreed upon in this Agreement as payable shall be applied retroactively to January 1, 1983.

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

ATTEST:

CONSOLIDATED RAIL CORPORATION

Allan Sch'D

By J. A. Hagen

ATTEST:

APPROVED METRO-NORTH COMMUTER RAILROAD
AS TO FORM

Kathy R. Perry

By Donald N. Nelson

Kathy R. Perry
ASSISTANT SECRETARY

Donald N. Nelson
President

STB

FD

33388

12-15-97

D

184826V3A 10/12

ATTEST:

Jeanette Redmond
Assistant Secretary

ATTEST:

R P Kell

APPROVED AS TO FORM:

Assistant Arnold K. Schmal
ASSOCIATE ATTORNEY GENERAL,
STATE OF CONNECTICUT

METROPOLITAN TRANSPORTATION
AUTHORITY

By [Signature]

CONNECTICUT DEPARTMENT OF
TRANSPORTATION

By [Signature]

Pursuant to Conn. Gen. Stat.
Sections 13b-23, 13b-34 and 13b-36.

8/6/91
Date

METRO-NORTH COMMUTER RAILROAD COMPANY

OFFICE OF THE SECRETARY

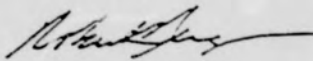
I HEREBY CERTIFY that the officers of Metro-North Commuter Railroad Company have been delegated authority, pursuant to a resolution adopted by the Board of Directors of the Company, to execute on behalf of the Company such contracts and agreements necessary or desirable for or in connection with the operation of commuter service and other transactions in connection therewith and that such delegations remain in full force and effect; and

I FURTHER CERTIFY that the duly appointed and acting officers of the corporation are as follows:

Chairman
President
Executive Vice President
Vice President - Operations
Vice President - Planning and Capital Programs
Vice President - Finance and Administration
Vice President - Marketing and Corporate Communications
Vice President - Human Resources
General Counsel and Secretary
Assistant Secretary
Treasurer

IN WITNESS WHEREOF I have hereunto set my hand and affixed the corporate seal of Metro-North Commuter Railroad Company this 7th day of December 1980.

ATTEST:

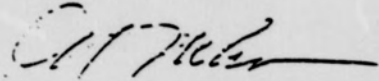

Robert Bergen
Secretary

SEAL)

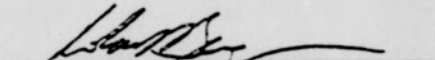
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INCUMBENCY CERTIFICATE

I, the undersigned, Robert Bergen, being the duly appointed and incumbent Secretary of Metro-North Commuter Railroad Company, ("Metro-North") do hereby certify that at all times since April 4, 1981, Donald N. Nelson has been the duly appointed and incumbent President of Metro-North and that a true and correct specimen of his signature is set forth in the space below:



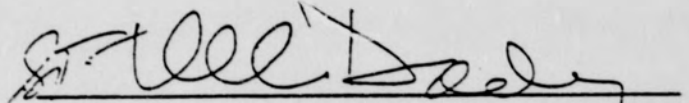
In Witness Whereof, I have hereunto set my hand and the seal of Metro-North on this 20th of May, 1991.



Robert Bergen

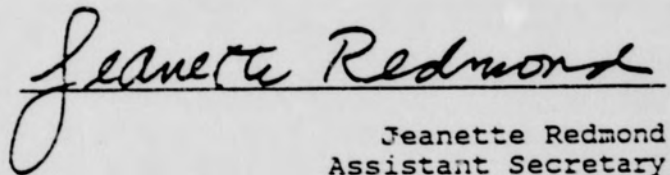
INCUMBENCY CERTIFICATE

I, the undersigned, Jeanette Redmond, being the duly appointed and incumbent Assistant Secretary of Metropolitan Transportation Authority, ("MTA") do hereby certify that at all times since April 23, 1986, Mortimer L. Downey, III has been the duly appointed and incumbent Executive Director of MTA and that a true and correct specimen of his signature is set forth in the space below:

A handwritten signature in dark ink, appearing to read "Mortimer L. Downey, III", written over a horizontal line.

Mortimer L. Downey, III
Executive Director

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of MTA on this 19th day of July, 1991.

A handwritten signature in dark ink, appearing to read "Jeanette Redmond", written over a horizontal line.

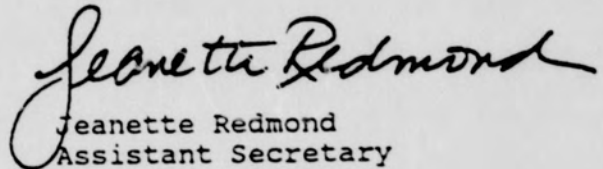
Jeanette Redmond
Assistant Secretary

METROPOLITAN TRANSPORTATION AUTHORITY

I HEREBY CERTIFY that the Executive Director of the Metropolitan Transportation Authority (the "Authority") has been delegated authority, pursuant to the By-laws of the Authority, to execute on behalf of the Authority such contracts and agreements as necessary or desirable in connection with the business and affairs of the Authority and that such delegation remains in full force and effect.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the corporate seal of Metropolitan Transportation Authority this 25th day of July, 1991.

ATTEST:


Jeanette Redmond
Assistant Secretary

INCUMBENCY CERTIFICATE

I, the undersigned, Allan Schimmel, being the duly elected Corporate Secretary of Consolidated Rail Corporation ("Conrail"), do hereby certify that, as of the date indicated below, James A. Hagen is the duly elected Chairman, President and Chief Executive Officer of Conrail and that a true and correct specimen of his signature is set forth in the space below:

J. A. Hagen

In Witness Whereof, I have hereunto set my hand on this

3rd day of July, 1991.

Allan Schimmel
Allan Schimmel

CONSOLIDATED RAIL CORPORATION

OFFICE OF THE SECRETARY

I HEREBY CERTIFY that James A. Hagen, Chairman, President and Chief Executive Officer of Consolidated Rail Corporation, has been delegated authority, pursuant to a resolution adopted by the Board of Directors of the Company, to execute on behalf of the Company such contracts and agreements necessary or desirable for or in connection with the operation of the Railroad and other transactions in connection therewith, and that such delegation remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Consolidated Rail Corporation this 3rd day of July, 1991.

Allan Schimmel

Allan Schimmel
Corporate Secretary

(SEAL)



STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION

24 WOLCOTT HILL ROAD, P.O. DRAWER A
WETHERSFIELD, CONNECTICUT 06109



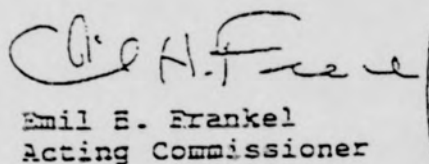
090

Office of the
Commissioner

An Equal Opportunity Employer

Delegation of Authority to Sign Documents
Authorized by Section 13b-20 of the
Connecticut General Statutes, As Amended

Know All Men By These Presents, That I, Emil E. Frankel,
Acting Commissioner of Transportation, as authorized by Section
13b-20 of the Connecticut General Statutes, as amended, do hereby
delegate to James F. Byrnes, Jr., Deputy Transportation
Commissioner, Department of Transportation, Bureau of Public
Transportation, the authority to sign any agreement, contract,
document or instrument which I am authorized to sign for said
Bureau.


Emil E. Frankel
Acting Commissioner

Date: 2/1/91

Time: 10:30 A.M.



STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION

24 WOLCOTT HILL ROAD, P.O. DRAWER A
WETHERSFIELD, CONNECTICUT 06109



Office of the
Commissioner

An Equal Opportunity Employer

Delegation of Duties and Responsibilities
and Authority to Sign Agreements,
Contracts, Documents or Instruments

I, Emil H. Frankel, Commissioner of Transportation, under the authority of Sections 13b-17 and 13b-20 of the Connecticut General Statutes, hereby ratify, confirm and reissue all previous delegations of authority issued on February 1, 1991 and February 7, 1991 in my capacity as Acting Commissioner of Transportation.

Any and all actions taken thereunder by the designated personnel are hereby ratified and confirmed as being duly authorized by the Commissioner of Transportation.

Emil H. Frankel
Commissioner of Transportation

Date: March 1, 1991

EXHIBIT 1

MTA/CDOT RAIL PROPERTIES
USED JOINTLY WITH CONRAIL
(MAINTAINED BY METRO NO.)

<u>LINE</u>	<u>MILE POST</u>
NEW HAVEN LINE (L.C. 9108)	11.9 - 72.8 (Division Post)
NEW CANAAN BRANCH (L.C. 9118)	0.0 - 7.9 (E.O.T.)
DANBURY BRANCH (L.C. 9119)	0.0 - 24.2
WATERBURY BRANCH (L.C. 9121)	0.0 - 8.9
HUDSON LINE (L.C. 9100)	5.4 - 75.8 (Division Post)
PUTNAM INDUSTRIAL TRACK (L.C. 4223)	
HARLEM LINE (L.C. 9131)	5.4 - 77.0

All jointly used track on the above lines shall be maintained to at least Class I FRA Track Safety Standards.

EXHIBIT 2

CONRAIL RAIL PROPERTIES
USED JOINTLY WITH METRO NO.

<u>LINE</u>	<u>MILE POST</u>	<u>CLASS OF TRACK</u>
SOUTHERN TIER LINE (L.C. 6102/6103)		
Suffern - Port Jervis (Maintained by Conrail)	31.3 - 89.9	
Suffern to Newburgh Jct.		Class 3
Newburgh Jct. to 5 miles east of Howells Jct.		Class 4
5 miles east of Howells Jct. to Port Jervis		Class 3
HARLEM LINE (L.C. 9131)		
Main Track (Maintained by METRO NO.)	77.0 - 81.6	Class 1
DANBURY SECONDARY (L.C. 4246)		
Beacon - Hopewell Jct.	0.0 - 12.6	Class 1
Hopewell Jct. - Derby Jct. (Maintained by Conrail)	42.9 - 104.8	

MTA/CDOT OWNED PROPERTIES -
TURNOUTS AND CROSSOVERS
(MAINTAINED BY METRO NO.)

NEW HAVEN LINE

<u>MILEPOST</u>	<u>TK</u>	<u>DESCRIPTION</u>	<u>RESP.</u>	<u>NO./TOS</u>
12.2	4	Woodlawn - Terranova	CR	1
14.3	4	West Chester Rockland	CR	1
19.7	3	Mamaroneck Yard	CR	1
25.8	3	Portchester Team Track	CR	1
26.6	3	Arnold's Bakery	CR	1
27.2	3	Ct. Natural Gas	CR	1
35.3	4	Richardson Gypsum	CR	1
36.7	3	Rings End Lumber	CR	1
43.6	3	Westport Team TK/Pepperidge	CR	1
50.2	3	Fairfield Team Track	CR	1
52.3	3	Bigelow Tea	CR	1
52.8	4	Bullard's	CR	1
53.2	3	State St. Yard	JT.	1
53.5	4	Lead to Railroad Ave/ Wordin Ave.	CR.	1
55.5	3	D'Addario (N. Bridgeport I.T.	CR	1
56.9	4	E. Bridgeport Yd.	JT.	1
56.9	4	Lead to GE/Remington	CR	1
57.2	4	E. Bridgeport Yd.	JT.	2
60.6	4	Devon East Leg 4	JT.	1
64.0	4	Milford Crane	CR	1
64.8	3	U.S. Electric Motors	CR	1
65.0	3	Reliable Steel Drum	CR	1
65.1	4	Furniture Transport	CR	1
65.1	3	Owens, Illinois	CR	1
65.8	3	Furman Lumber	CR	1
66.0	4	Brewster Building	CR	1
66.6	3	Boise Cascade	CR	1
67.0	3	DiChello Distrib.	CR	1
67.1	3	A.P. Green	CR	1
67.9	3	Miles	CR	1
68.1	3	Richardson	CR	1
68.3	3	Star Distributor	CR	1
68.4	4	Kalfus Steel	CR	1
68.5	3	Elder Bros.	CR	1
68.7	3	Sears	CR	1
69.7	3	Armstrong	CR	1
70.4	3	West Haven Team Tr.	CR	1
70.7	4	Atlas Movers	CR	1
72.8	1	Connecticut Reserve Supply	CR	1

HUDSON LINE

<u>MILEPOST</u>	<u>TK</u>	<u>DESCRIPTION</u>	<u>RESP.</u>	<u>NO./TOS</u>
5.6	5	Mo "Wye"	JT.	1
6.4	4	Highbridge Yard	CR	1
7.0	4	Highbridge Yard	CR	1
8.9	4	Intl. Salt. Butler Lumber	CR	1
10.1	1	FH, G&T Packaging	CR	1
13.8	4	TK6 Crossover	JT.	2
15.5	3	Kawasaki	CR	2
16.3	4	Crossover to Yonkers Yd.	CR	2
19.2	4	Noble Van-Hastings	JT.	1
22.3	4	Irvington Lumber	CR	1
23.9-25.0	1-3	East Middle Track	CR	3
25.0	3	OW Yard - AIP	JT.	1
25.9	4	Chevy Yard	CR	1
25.9	3	Auto Yard	CR	1
26.2	4	Chevy Yard	CR	2
26.2	3	Auto Yard	CR	1
26.3	2/2	CP-26 Xover	JT.	2
34. 26.3	2/2	CP-35 Xover to West Yd.	JT.	2
36.6	4	CP-36 (Croton West Yd).	CR	1
40.5	4	West Chester Resco	CR	1
40.8	1	Mearl/Storage	JT.	1
41.0	2	Storage/Team Track	JT.	1
58.4	2	Danbury Sec.	JT.	1
58.7	C/S	Nabisco	JT.	1
61.0	C/S	Circle M Lumber	CR	1
63.4	1	American Lumber	CR	1
69.7	1	IBM	CR	1
72.6	1	Controlled Siding	JT.	1
73.6	2	Access to River Yard	CR	1
74.5	C/S	CNE Yard	CR	1
75.4	1	Controlled Siding	JT.	1

HARLEM LINE

<u>MILEPOST</u>	<u>TK</u>	<u>DESCRIPTION</u>	<u>RESP.</u>	<u>NO./TOS</u>
5.0		Mo Wye	JT.	1
6.2	3	Port Morris I.T.	CR	1
7.3	4	Tulnoy Lumber	CR	1
12.5	3	Ampacet	CR	1
12.7	3	Sound Distributors	CR	1
13.0	3	Tomkins Lumber	CR	1
13.3	3/1	Mt. Vernon West	JT.	2
14.0	1	Mt. Vernon Yard	JT.	1
28.1	2	Hawthorne, Con Ed	CR	1
29.9.	1	Pleasantville Runaround	CR	2
36.8	2	Suburban Propane	CR	1
37.7	1	Grand Union	CR	1
43.4	2	Kings Lumber/Goldens Bridge	CR	1
55.2	S	Dykemans	JT.	1
68.8	S	Wingdale Psych. Hosp.	CR	1
72.1	S	Dover Furnace	CR	1
76.7	S	N/E Dover Plains Siding	CR	1

WATERBURY BRANCH

0.3-1.2	S	Siding	CR	1
8.7	S	South Wye - Derby	JT.	1
8.8	S	North Wye - Derby	CR	1

NEW CANAAN Branch

3.6	S	Springdale Team Track	CR	1
7.7	S	New Canaan Lumber	CR	1
7.8	S	New Canaan Crossover	CR	2

DANBURY BRANCH

page 4

<u>MILEPOST</u>	<u>TK</u>	<u>DESCRIPTION</u>	<u>RESP.</u>	<u>NO./TOS</u>
0.8	S	Dock Yard	JT.	1
1.1	S	CL&P	CR	1
1.3	S	Devine Bros./Libner	CR	1
11.8	S	Gilbert & Bennett	CR	1
12.8	S	Gilbert & Bennett	CR	1
20.0	S	Shepard's Warehouse	CR	1
20.4	S	Vanderbilt Chemical	CR	1
20.4	S	Bethel S/E	JT.	1
20.4	S	Condux	CR	1
20.5	S	Rings' End Lumber	CR	1
20.5	S	Shepard's R/A	JT.	1
20.6	S	Team Track	CR	1
22.4	S	Sperry Rail	JT.	1
23.0	S	CL&P	CR	1
23.0-23.8	S	Danbury Yard	CR	5

EXHIBIT 4

MTA/CDOT RAIL PROPERTIES
USED EXCLUSIVELY BY CONRAIL
(MAINTAINED BY CONRAIL)

<u>LINE</u>	<u>MILEPOST</u>
<u>HUDSON LINE (L.C. 9100)</u>	
1. TARRYTOWN	
Chevy Yard	25.7
<u>HARLEM LINE (L.C. 9131)</u>	
1. WAKEFIELD-AMPACET LEAD	12.5
<u>DANBURY BRANCH (L.C. 9119)</u>	
1. DANBURY	
Yard Tracks (16 thru 42 and Enginehouse 1, 2, 3)	23.7
<u>SUFFERN INDUSTRIAL TRACK</u>	0.0 - 3.33
(a/k/a Piermont Branch)	6.2 - 6.5

EXHIBIT 5

MTA/CDOT RAIL PROPERTIES
USED EXCLUSIVELY BY CONRAIL
(MAINTAINED BY METRO NO.)

(1 of 2)

<u>LINE/FACILITY</u>	<u>MILE POST LOCATION</u>	<u>LEVEL OF MAINTENANCE</u>
<u>HUDSON LINE</u>		
FH Yard Lead (Maintained to Property Line)	9.8	Class 1
Track 6-Riverdale-Yonkers		Class 1
East Middle-Tarrytown	24.9	Class 1
OW Yard-Tarrytown	24.8	Class 1
Peekskill [Team Track]	41.28	Class 1
Burnwell-Mearl Siding	40.6	Class 1
Beacon-Salt Track	58.5	Class 1
IBM Lead	69.7	Class 1
Poughkeepsie-River Yard [4-6 Track]	74.0	Class 1
CNE Yard	74.0	Class 1
Lead to Dutton	74.4	Class 1 ^{1/}
<u>HARLEM LINE</u>		
Mt. Vernon West-Team Track	13.9	Class 1
Pleasantville-Runaround	29.9	Class 1
Mt. Kisco-Team Track	36.8	Class 1
Goldens Bridge-Lead to King Lumber	43.4	Class 1
Milepost 77.0-81.03 [EOT]		Class 1 ^{2/}
<u>NEW HAVEN LINE</u>		
Mamaroneck Yard	19.6	Class 1
Port Chester Team Track	25.75	Class 1
Westport Yard-Lead to Pepperidge Farms Team Track	43.6	Class 1
Fairfield-Team Track	50.3	Class 1
Bridgeport-State St. Yard Lead	53.1	Class 1
Stratford-Stratford Spur	57.8 (0.0-EOT)	Class 1 ^{3/}
East Bridgeport Yard-Team Track	57.0	Class 1
West Haven-Team Track	70.37	Class 1

^{1/} METRO NO. inspects, maintains—operating rights PC to CR.

^{2/} METRO NO. inspects, maintains track.

^{3/} Line inspected and maintained by METRO NO., not CDOT property.

EXHIBIT 5

MTA/CDOT RAIL PROPERTIES
USED EXCLUSIVELY BY CONRAIL
(MAINTAINED BY METRO NO.)

(2 of 2)

<u>LINE/FACILITY</u>	<u>MILE POST LOCATION</u>	<u>LEVEL OF MAINTENANCE</u>
<u>NEW CANAAN BRANCH</u>		
Springdale-Team Track	3.75	Class 1
<u>DANBURY BRANCH</u>		
Dock Yard-Team Track	0.91	Class 1
Bethel-Upper and Lower Lead	20.0	Class 1
<u>WATERBURY BRANCH</u>		
Devon-Siding	0.10	Class 1

EXHIBIT 6

CONRAIL RAIL PROPERTIES -
USED EXCLUSIVELY BY METRO NO.

<u>SOUTHERN TIER LINE/FACILITY</u>	<u>MILE POST LOCATION</u>
Turnout to Port Jervis Passenger yard (Maintained by Conrail)	M.P. 87.3
Crossover to West End of Passenger yard (Maintained by Conrail)	M.P. 87.8
Radio Base at Otisville (Maintained by METRO NO.)	M.P. 74.76

EXHIBIT 7

MTA/CDOT RAIL PROPERTIES
USED EXCLUSIVELY BY METRO NC.
(MAINTAINED BY CONRAIL)

PORT JERVIS PASSENGER YARD -

Radio Base at Newburgh^{ju} - M.P. 45.0

Radio Base at Nervis^{90.65} (Local) - M.P. 87.2

**EXHIBIT 8 TO CORRAIL/MNR/MCA/COOT TRACKAGE RIGHTS AGREEMENT EFFECTIVE 1-1-83
DEPICTING METHOD AND ACTUAL ESCALATION OF PER CAR MILE AND MAINTENANCE
IN ACCORDANCE WITH SECTION 5.04**

1. Car Mile Rates									
a. Index Year	1983	1984	1985	1986	1987	1988	1989	1990	
b. Year in which Escalation is Calculated	1984	1985	1986	1987	1988	1989	1990	1991	
c. Base Index Year	1982	1982	1982	1982	1982	1982	1982	1982	
d. Base Rate	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	
e. Escalation Formula: Index Year (a) minus Base Index Year (c) divided by Base Index Year (c) times Base Rate (d) plus Base Rate (d) equals Revised Base Rate to become effective as of July 1 in the Year in which Escalation is Calculated (b)									
f. Actual Escalation Procedure									
(1) Year in which Escalation is Calculated	1984	1985	1986	1987	1988	1989	1990		
(2) Index Year	1983	1984	1985	1986	1987	1988	1989		
(3) Base Index Year (1982)	174.5	181.2	185.7	193	200.4	212.7	221		
(4) = (2) minus (3)	161.8	161.8	161.8	161.8	161.8	161.8	161.8		
(5) = (4) divided by (3)	0.07849	0.11990	0.14771	0.19283	0.21837	0.31439	0.36388		
(6) = Base Rate (\$0.200) times (5)	\$0.016	\$0.024	\$0.030	\$0.039	\$0.048	\$0.063	\$0.073		
(7) = Base Rate	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200	\$0.200		
(8) Revised Base Rate = (6) + (7)	\$0.216	\$0.224	\$0.230	\$0.239	\$0.248	\$0.263	\$0.273		
2. Maintenance Rates (Flat Rate per Turnout/Crossover)									
a. Index Year	1983	1984	1985	1986	1987	1988	1989	1990	
b. Year in which Escalation is Calculated	-	1984	1985	1986	1987	1988	1989	1990	
c. Base Index Year	1983	1984	1985	1986	1987	1988	1989	1990	
d. Base Rate	\$5879	\$5879	\$5879	\$5879	\$5879	\$5879	\$5879	\$5879	
e. Escalation Formula: Index Year (a) minus Base Index Year (c) divided by Base Index Year (c) times Base Rate (d) plus Base Rate (d) equals Revised Base Rate to become effective as of January 1 in the Year in which Escalation is Calculated (b)									
f. Actual Escalation Procedure									
(1) Year in which Escalation is Calculated	1983	1984	1985	1986	1987	1988	1989	1990	
(2) Index Year	1983	1984	1985	1986	1987	1988	1989	1990	
(3) Base Index Year (1983)	174.5	181.2	185.7	193	200.4	212.7	221	221.2	
(4) = (2) minus (3)	0	6.7	11.2	18.5	25.9	38.2	46.5	46.7	
(5) = (4) divided by (3)	0.00000	0.03640	0.06418	0.10602	0.14842	0.21891	0.26648	0.26762	
(6) = Base Rate (\$5879) times (5)	\$0	\$226	\$377	\$623	\$873	\$1287	\$1567	\$1573	
(7) = Base Rate	\$5879	\$5879	\$5879	\$5879	\$5879	\$5879	\$5879	\$5879	
(8) Revised Base Rate = (6) + (7)	\$5879	\$6105	\$6256	\$6502	\$6752	\$7166	\$7446	\$7452	

Note that in escalating the Maintenance Rate the Index Year and Year in which the escalation is calculated are the same. Since the Final Index figure for a given calendar year is not available until the subsequent calendar year it will be necessary to bill the current year on an estimated basis. It is agreed that the current year's estimated billing will be accomplished using the first quarter forecast of the AAR Annual Indexes. When the Final Index becomes available in the next calendar year the prior year's billing will be retroactively adjusted to agree with the Final Index. Thus the 221.2 Index in the Year 1990 for Maintenance is a First Quarter 1990 figure.

NOTE: The Flat Rate Maintenance Rate is comprised of two increments:
(1) \$3578 Routine Maintenance (2) \$2301 All Other Maintenance.

EXHIBIT 9

CLEARANCES ON MTA AND CDOT RAIL PROPERTIES

A. The vertical clearances on MTA and CDOT Rail Properties shall be those clearances set forth in Metro North Commuter Railroad Timetable No. 4, effective April 7, 1991, a copy of which is attached hereto, as supplemented by the following provisions:

1. Hudson Line clearances have changed since 1983 due to the Conrail-NYSDOT funded Clearance Project to permit bi-levels to reach Tarrytown. Therefore, all cars up to 19'4" shall be accommodated between CP75 and MP 6.2, with specific track restrictions as noted in Timetable No. 4.
2. New Haven Line clearances between CP216 to CP112 on Nos. 2 and 4 Tracks have been reduced since 1983 to 15'0" open top and 15'2" closed top. The original clearances of 15'4" open top and 15'6" closed top shall be restored the next time the track is surfaced, which shall be no later than June 30, 1995;
3. New Canaan Branch clearances shall be 15'4" open top, 15'6" closed top;
4. Danbury Branch clearances shall be:
MP 0.0 to MP 12.7 - 16'2"
MP 12.7 to MP 23.6 - 17'6"
5. Waterbury Branch clearances shall be:
MP 0.0 to 8.9 - 17'9"
6. All clearances for MTA/CDOT Rail Properties listed in Exhibits 4 and 5 (maintained by Conrail or maintained by Metro-North for Conrail) shall be those applicable to the line segment where the particular properties are situated.
7. Any new construction over Rail Properties used jointly by Conrail and Metro North or exclusively by Conrail shall maintain the applicable state minimum statutory clearance requirements. Any replacement structure, including bridges, signal masts etc. shall meet the applicable state minimum vertical clearance requirements.

B. The lateral or horizontal clearances, especially with regard to high-level platforms, shall be governed by applicable State-Federal laws and Conrail's MW-4 Standards.



TIMETABLE NO. 4

IN EFFECT 2:01 A.M. SUNDAY
APRIL 7, 1991

FOR EMPLOYEES ONLY

R.J. SINIGIANI
GENERAL SUPERINTENDENT-TRANSPORTATION

1100-01

Hudson Line	
B.C.T. Loop Tracks	M Series cars are prohibited from operating around loop tracks with passengers unless authorized by the Train Dispatcher's Office.
Grand Central Terminal	Freight cars in excess of 50 feet prohibited unless authorized by the Train Dispatcher's Office.
Division Post C.B.C. to CP75	Cars higher than 17 ft. 4 in.
CP75 to MIP 8.2	Cars higher than 17 ft. 0 in.
MIP 8.2 to 87th Street	Cars higher than 15 ft. 6 in.
South of 87th Street	Cars higher than 14 ft. 6 in.
	<ul style="list-style-type: none"> BI-level cars (TTGX Series) not higher than 19 ft. 4 in. authorized between CP75 and MIP25.4 with following restrictions: <ul style="list-style-type: none"> CP35-CP34. Must operate No. 2 track CP34-CP33. Must operate No. 4 track South of Bridge No. 25.41, Tarrytown prohibited.

Hudson L/20	
Division Post C.B.C. to Palisades Jct.	Cars higher than 17 ft. 9 in.
Palisades Jct. to No. White Plains	Cars higher than 16 ft. 10 in.
No. White Plains to CP113	Cars higher than 15 ft. 4 in.
CP113 to CP112	Cars higher than: <ul style="list-style-type: none"> 15 ft. 6 in. on No. 4 and No. 3 track 14 ft. 10 in. on No. 2 track 15 ft. 4 in. on No. 1 track
South of CP112	Cars higher than: <ul style="list-style-type: none"> 14 ft. 10 in. on No. 2 and No. 3 track 15 ft. 6 in. on No. 4 track to 138th Street 15 ft. 4 in. on No. 1 track to 144th Street

New Haven Line	
Division Post - R.E.C. to South	Open top cars 16 ft. 1 in.
South to CP 216	Close top 16 ft. 3 in.
CP 216 to CP 112	Open top cars 15 ft. 4 in.
	Close top 15 ft. 6 in.
	Open top cars 15 ft. 0 in.
	Close top 15 ft. 2 in.
	on No. 2 and No. 4 tracks.
	Open top cars 15 ft. 4 in.
	Close top 15 ft. 6 in.
	on No. 1 and No. 3 track.
New Haven Line	Cars exceeding plate C unless authorized by the Train Dispatcher's Office. Plate C cars restricted from operating on No. 1 track between CP 216 and CP 223

STANDARD FORM FOR DETOUR AGREEMENT

Adopted by the Association of American Railroads (or its predecessor The American Railway Association), October 25, 1905; with amendments adopted November 10, 1910, May 17, 1911, November 19, 1913, November 17, 1920, May 15, 1924, October 2, 1947, September 3, 1957, July 1, 1967, July 1, 1978, and January 1, 1984.

NOTE—This agreement should be executed on behalf of each company party hereto by an executive officer thereof and duly attested.

This Agreement, Executed in duplicate between

..... a corporation created and existing under the laws of
 and
 a corporation created and existing under the laws of

Witnesseth, That,

Whereas, should the railways of either party hereto become impassable by reason of unforeseen occurrences, making detour movement desirable, each party hereto is willing whenever, in its judgment, the conditions warrant, and subject to the terms and conditions hereinafter set forth, to temporarily permit the trains of the other party, hereinafter referred to as the Foreign Company, to be run over its tracks (Home Company) as a service of accommodation and reciprocation.

Now, Therefore, it is mutually agreed by and between the parties hereto as follows:

1. Whenever the Foreign Company desires to detour its trains it shall notify the Home Company, the circumstances necessitating detour movement, between what points, the number and character of trains and such other information as may be required by the Home Company. Upon receipt of such notice the Home Company shall promptly grant or refuse the accommodation requested. The granting of the accommodation will not warrant nor imply the insurance of the Foreign Company's trains against any of the risks of transportation, nor the assumption of liability therefor, by the Home Company. In the event of refusal to grant such permission, the Foreign Company shall have no claim of any nature against the Home Company by reason of such refusal.

2. The Foreign Company, if granted such permission, shall run its trains between the points designated over the tracks of the Home Company, using, unless otherwise agreed between the parties, its own engines, engine crews and train crews fully conversant with the Standard Code of the Association of American Railroads, but always with a pilot or pilots (not more than one pilot for each Foreign engine crew or train crew, nor more than two for any one train), to be furnished by the Home Company, and subject to all the rules and regulations of the Home Company, and the orders of its train dispatcher.

In case, by mutual agreement, the Home Company shall furnish engines and engine crews to haul, help or push trains of the Foreign Company, or in case, without mutual agreement, it becomes necessary, by reason of failure of the Foreign Company's engine to handle its train at speed required by the Home Company, or for other cause (including foreign engine not being equipped with train control or cab signals) for the Home Company to furnish engines and engine crews to haul, help or push trains of the Foreign Company, it may do so, and except at its option, without releasing pilot or pilots previously assigned to the train.

3. The Foreign Company, if granted such permission, shall promptly, upon presentation of bill, pay to the Home Company for trackage, the sum of \$9.00¹ per train mile, or fraction thereof (a light engine to be considered as a train), with minimum trackage charge of \$56.00 for each train detoured. The Foreign Company shall also reimburse the Home Company for any extra expenses incurred by the employment of additional operators, dispatchers or others, or overtime paid any employee resulting directly from the detour movement.

On the request of the Foreign Company cars bad ordered out of detoured trains may be detoured under the terms of this Agreement, except that there shall be paid by the Foreign Company in full for such service \$5.90 per car mile for each freight car and \$1.35 per car mile for each passenger, baggage, express or sleeping car car mileage and per diem as to all such cars to be assumed by the Foreign Company.

The costs of labor as referred to in this Agreement include actual wages plus additives according to joint facility accounting procedures of the Home Company. Additional charges for other services rendered and supplies furnished by the Home Company shall be charged to the Foreign Company at the rates specified below.

	When engine is furnished	
	By Foreign Company Sec. 2, Par. 1	By Home Company Sec. 2, Par. 2
(a) Per locomotive unit mile, including light mileage to and from point of service ¹	None	\$5.75
(b) Per engine turned on turntable or wye ²	\$5.50	None
(c) Per car turned on turntable ³	\$5.50	\$5.50
(d) Per train turned on wye ⁴	\$17.00	\$17.00
(e) Fuel	None
(f) Other engine supplies	None
(g) Other train supplies
(h) Enginehouse expenses	None
(i) Engine repairs	None
(j) Pilots, including deadhead or light mileage to and from point of service, and furnished in accordance with Section 2, paragraphs 1 and 2
(k) Crews furnished, train or engine, including deadhead or light mileage to and from point of service
(l) Bridge, ferry, terminal, trackage or switching charges assessed by other carriers in connection with handling detoured trains	Contract or tariff rates	Contract or tariff rates

¹ Includes wages of car inspectors inspecting detoured trains at regular inspection points.

² Includes use of engine, fuel, and supplies but excludes crew.

³ No mileage charge to be included.

⁴ Costs plus additives according to the joint facility accounting procedures of the Home Company.

UNUSUAL OCCURRENCE REPORT

2. PREPARED BY

107

1. TYPE OF OCCURRENCE		2. CLASS OF TRAIL	
0 DERAILMENT 01 HEAD-ON COLLISION 02 REAR-END COLLISION 03 SIDE COLLISION 04 RAILROAD COLLISION 05 RAIL-HIGHWAY COLLISION 06 RAIL-RAILROAD COLLISION 07 RAIL-HIGHWAY COLLISION		08 RAIL GRADE AND COLLISION 09 OBSTRUCTION INCIDENT 10 EXPLOSION/DETONATION 11 FIRE/VIOLENT RUPTURE 12 OTHER RAIL EQUIP. INCIDENTS 13 RAILROAD EQUIPMENT INCIDENT	
3. REGION		4. DIVISION	
5. LINE/BRANCH/YARD		6. TYPE	
7. DATE		8. TIME	
9. PLACE		10. STATE	
11. POST		12. MILEPOST	
13. TRACK NO.		14. TRACK NAME	
15. OBSTRUCTIONS		16. HAZARDOUS MAT.	
17. YES		18. AUT. SPEED	
19. TRAIN SYMBOL		20. LEAD ENG. NO.	
21. ADDITIONAL UNITS (NO.)		22. DIRECTION	
23. LOADS		24. SPEED	
25. EMPLOYEES		26. TONS	
27. ENGINEER		28. CONDUCTOR	
29. ACTIVITY		30. ENGINE-BOGIES	
31. CARS		32. THEIR LOCATIONS IN TRAIN	
33. NAME OF RELIEF (CHECKING) FORCE		34. AID	
35. CALLED		36. ARRIVED	
37. REPAIRING COMPLETE		38. ADDITIONAL INFORMATION	
39. PERSONAL INJURY INVOLVED		40. CLASS OF PERSON	
41. NAME		42. EMPLOYEE ON DUTY	
43. FATAL		44. EMPLOYEE NOT ON DUTY	
45. RESTRICTED, LOST TIME ETC.		46. PASSENGER	
47. NAME, DESCRIPTION AND DISPOSITION		48. THRESPASSER	
49. CAUSE CODE		50. CAUSE DESCRIPTION	
51. EQUIPMENT INVOLVED - INITIAL & NUMBER		52. WORK ORDER NUMBER	
53. CORRECTION		54. CORRECTION	
55. TRACK DAMAGE		56. SIGNAL DAMAGE	
57. OTHER RAILROAD DAMAGE		58. EQUIPMENT DAMAGE	
59. LADING LOSS		60. PROPERTY OF OTHERS	
61. MATERIAL COST		62. OTHER COSTS	
63. REMARKS		64. REMARKS	

DATE 19

CONRAI

(Yard and Track Number)

IF 'NO' DEFECT CARD SIGNED YES _____ NO _____

OTHER _____

(Underline One)

(Name and Address)

(Location and Participating Road)

(TITLE)

SHOW MAJOR ITEMS OF DAMAGE ON REVERSE SIDE OF THIS FORM FOR EACH CAR LISTED

[illegible]

INITIAL SHIP	CAR NUMBER OF	CLASS/LO	COMMODITY	LIGHT WEIGHT	BUILT/REBUILT A	TIME RATED

INITIAL	CAR NUMBER	CLASSLOT	COMMODITY	NET WEIGHT	BUILDING NO.	TIME REPAIRED

INITIAL	CAR NUMBER	CLASS LOT	COMMODITY	LIGHT WEIGHT	BUILT/REBUILT	TIME REPAIRED
---------	------------	-----------	-----------	--------------	---------------	---------------

INITIAL	CAR NUMBER	CLASSLOT	COMMODITY	LIGHT WEIGHT	BUILT/REBUILT	TIME REPAIRED
---------	------------	----------	-----------	--------------	---------------	---------------

INITIAL	CAR NUMBER	CLASS LOT	COMMODITY	LIGHT WEIGHT	BUILD A BUILD	TIME REPAIRED
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INITIAL	CAR NUMBER	CLASS/LOT	COMMODITY	LIGHT WEIGHT	BUILT/REBUILT	TONE REPAIRO

INITIAL	CAR NUMBER	CLASS/LOT	COMMODITY	LOAD WEIGHT	BUILT/REBUILT	TIME REPAIRED
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§ 1266-c. Transit projects

[See main volume for text of 1 to 12]

13. a. All contracts for design, construction, services and materials pursuant to this title of whatever nature and all documents soliciting bids or proposals therefor shall contain or make reference to the following provisions:

(i) The contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

(ii) At the request of the New York city transit authority, the metropolitan transportation authority, and their subsidiaries (hereinafter referred to as the authority), the contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the authority to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder.

(iii) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract with the authority, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(iv) The contractor will include the provisions of subparagraphs (i) through (iii) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract with the authority.

b. The authority shall establish procedures and guidelines to ensure that contractors and subcontractors undertake programs of affirmative action and equal employment opportunity as required by this subdivision. Such procedures may require after notice in a bid solicitation, the submission of an affirmative action program prior to the award of any contract, or at any time thereafter, and may require the submission of compliance reports relating to the operation and implementation of any affirmative action program adopted hereunder. The authority may take appropriate action including contractual sanctions for non-compliance to effectuate the provisions of this subdivision and shall be responsible for monitoring compliance with this title.

BY HIS EXCELLENCY
THOMAS J. MESSELY
GOVERNOR
EXECUTIVE ORDER NO. SEVENTEEN

MANCR P. 1

WHEREAS, Section 31-237 of the General Statutes of Connecticut as amended requires the maintaining of the established free services of the Connecticut State Employment Service to both employers and prospective employees and

WHEREAS, Section 31-3 of the General Statutes of Connecticut requires that no compensation or fee shall be charged or received directly or indirectly for the services of the Connecticut State Employment Service and

WHEREAS, large numbers of our citizens who have served in the Armed Forces of our nation are returning to civilian life in our state and seeking employment in civilian occupations and

WHEREAS, we owe a duty as well as gratitude to these returning veterans including the duty to find suitable employment for them and

WHEREAS, many of our handicapped citizens are fully capable of employment and are entitled to be placed in suitable employment and

WHEREAS, many of the citizens of our state who are unemployed are unaware of the job openings and employment opportunities which do in fact exist in our state and

WHEREAS, notwithstanding the free services of the Connecticut State Employment Service, many of our Connecticut employers do not use its free services or do not avail themselves fully of all of the services offered.

NOW, THEREFORE, I, THOMAS J. MESSELY, Governor of the State of Connecticut, acting by virtue of the authority vested in me under the fourth article of the Constitution of the State and in accordance with Section 3-1 of the General Statutes, do hereby ORDER and DIRECT, as follows, by this Executive Order:

I
The Labor Commissioner shall be responsible for the administration of this Order and shall do all acts necessary and appropriate to achieve its purpose. Upon promulgation of this Order, the Commissioner of Finance and Control shall issue a directive forthwith to all state agencies that heretofore all state contracts and subcontracts for construction on public buildings, other public works and jobs and services shall contain a provision requiring such contract or subcontract subject to this Order, and that such contract or subcontract may be cancelled, terminated or superseded by the Labor Commissioner for violation of or noncompliance with this Order, notwithstanding that the Labor Commissioner is not a party to such contract or subcontract.

II
Every contractor and subcontractor having a contract with the state or any of its agencies, boards, commissions, or departments, every individual partnership, corporation, or business entity having business with the state or was or which seeks to do business with the state, and every bidder or prospective bidder who submits a bid or trailers to an invitation to bid on any state contract shall list all employment openings with the office of the Connecticut State Employment Service in the area where the work is to be performed or where the services are to be rendered.

III
All state contracts shall contain a clause which shall be a condition of the contract that the contractor and any subcontractor holding a contract directly under the contractor shall list all employment openings with the Connecticut State Employment Service. The Labor Commissioner may allow exceptions to listings of employment openings which the contractor proposes to fill from within his organization from employees on the rolls of the contractor on the date of publication of the invitation to bid or the date on which the public announcement was published or promulgated setting of the program contract.

IV
Each contracting agency of the state shall be primarily responsible for securing compliance with this Executive Order. Each contracting agency shall appoint or designate from among its personnel one or more persons who shall be responsible for compliance with the objectives of this Order.

V
The Labor Commissioner shall be and is hereby empowered to inspect the books, records, payroll and personnel data of each individual or business entity subject to this Executive Order and may hold hearings or conferences, formal or informal, in pursuance of the duties and responsibilities hereinunto delegated to the Labor Commissioner.

VI
The Labor Commissioner or any agency officer or employee in the executive branch designated by regulation of the Labor Commissioner may hold such hearings, public or private, as the Labor Commissioner may deem advisable for compliance, enforcement or educational purposes under this Order.

VII
(a) The Labor Commissioner may hold or cause to be held hearings, prior to issuing, ordering, or recommending the imposition of penalties and sanctions under this Order. In accordance herewith, the Commissioner or the appropriate contracting agency may suspend, cancel, terminate, or cause to be suspended, cancelled, or terminated in accordance with law any contract or any portion or portions thereof for failure of the contractor or subcontractor to comply with the listing provisions of the contract. Contracts may be cancelled, terminated, suspended absolutely or their continuance conditioned upon a program for future compliance approved by the contracting agency.

(b) Any contracting agency taking any action authorized by this Order, whether on its own motion or as directed by the Labor Commissioner, shall strictly comply and of such action. Whenever the Labor Commissioner makes a determination under this Order, he shall promptly notify the appropriate contracting agency of the action recommended. The agency shall report the results to the Labor Commissioner promptly.

VIII
If the Labor Commissioner shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless he has satisfactorily complied with the provisions of this Order.

This Order shall become effective thirty days after the date of this Order.

Dated at Hartford, Connecticut, this 15th day of February, 1971.

Thomas J. Messey
GOVERNOR

14. (a)(i) In the performance of projects pursuant to this title minority and women-owned business enterprises shall be given the opportunity for meaningful participation. The authority provided for in this title shall establish measures and procedures to secure meaningful participation and identify those contracts and items of work for which minority and women-owned business enterprises may best bid to actively and affirmatively promote and assist their participation in the projects, so as to facilitate the award of a fair share of contracts to such enterprises; provided, however, that nothing in this title shall be construed to limit the ability of the authority to assure that qualified minority and women-owned business enterprises may participate in the program. For purposes hereof, minority business enterprise shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of a publicly owned business, at least fifty-one per centum of the stock of which is owned by citizens or permanent resident aliens who are Black, Hispanic, Asian or American Indian, Pacific Islander or Alaskan natives and such ownership interest is real, substantial and continuing and have the authority to independently control the day to day business decisions of the entity for at least one year; and women-owned business enterprise shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of a publicly owned business, at least fifty-one per centum of the stock of which is owned by citizens or permanent resident aliens who are women, and such ownership interest is real, substantial and continuing and have the authority to independently control the day to day business decisions of the entity for at least one year.

The provisions of this paragraph shall not be construed to limit the ability of any minority or women-owned business enterprise to bid on any contract.

(ii) In the implementation of this subdivision, the authority shall consider compliance by any contractor with the requirements of any federal, state, or local law concerning minority and women-owned business enterprises, which may effectuate the requirements of this subdivision. If the authority determines that by virtue of the imposition of the requirements of any such law, in respect to capital project contracts, the provisions thereof duplicate or conflict with such law, the authority may waive the applicability of this subdivision to the extent of such duplication or conflict.

(iii) Nothing in this subdivision shall be deemed to require that overall state and federal requirements for participation of minority and women-owned business enterprises in programs authorized under this title be applied without regard to local circumstances to all projects or in all communities.

(b) In order to implement the requirements and objectives of this subdivision, the authority shall establish procedures to monitor the contractors' compliance with provisions hereof, provide assistance in obtaining competing qualified minority and women-owned business enterprises to perform contracts proposed to be awarded, and take other appropriate measures to improve the access of minority and women-owned business enterprises to these contracts.

(As amended L.1986, c. 929, § 29.)

ADMINISTRATIVE AND STATUTORY REQUIREMENTS

MTA, METRO NO. and Conrail ("Parties") Agree

(1) The Parties shall comply with the Regulations of the United States Department of Transportation (Title 49, Code of Federal Regulations, Part 21) issued in implementation of Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4, as applicable, which are hereby made a part of this Exhibit.

(2)(a) For the purpose of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purpose of this section, "Commission" means the Commission on Human Rights and Opportunities.

(b)(1) The Parties agree and warrant that in the performance of this Agreement the Parties will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, sex, mental retardation or physical disability, including but not limited to, blindness, unless it is shown by the Parties that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or the State of Connecticut. The Parties further agree to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, martial status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown the Parties that such disability prevents performance of the work involved, (2) the Parties agree, in all solicitations or advertisements for employees placed by or on behalf of the Parties individually, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the Parties agree to provide each labor union or representative of workers with which the Parties have a collective bargaining agreement or other contract or understanding and each vendor with which the Parties have a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Parties' commitments under this section, and to post copies of the notice in conspicuous places available

to employees and applicants for employment; (4) the Parties agree to comply with each provision of this section and Conn. Gen. Secs. 46a-68e and 46a-68f; (5) the Parties agree to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Parties as relate to the provisions of this section and Section 46a-56. If the contract is a public works contract, the Parties agree and warrant that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) Determination of the Parties' good faith efforts shall include, but shall not be limited to, the following factors: the Parties' employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Parties shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Parties shall include the provisions of subsection (b) of this section in every subcontract or purchase order

entered into in order to fulfill any obligation of a contract with CDOT and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Parties shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. Sec 46a-56, as amended by Section 5 of Public Act 89-253; provided if the Parties become involved in, or are threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Parties may request the CDOT to enter into any such litigation or negotiation prior thereto to protect the interests of CDOT and CDOT may so enter.

(f) The notice provisions of subparagraph (b)(3) above apply only to those vendors, if any, that are intended to be used in fulfillment of obligations under this Agreement.

(3) If applicable, this Agreement is subject to the provisions of the Governor's Executive Order No. Three promulgated June 16, 1971 and, as such, this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The Parties to this Agreement, as part of the consideration hereof, agree that

the attached Executive Order No. Three is incorporated herein and made a part hereof. The Parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to performance in regard to nondiscrimination, until the Agreement is completed or terminated prior to completion. The Parties agree, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and the Parties will not discriminate in employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner. A copy of said Guidelines is attached and hereby made a part of this Agreement.

(4) If applicable, this Agreement is executed subject to the Governor's Executive Order No. 17, a copy of which is attached hereto and is hereby made a part of this Agreement. Governor's Executive Order No. 17 requires, inter alia, that all contractors and subcontractors shall list all employment openings with the Office of the Connecticut State Employment Service in the area where the work is to be performed or where the services are to be rendered. Failure of the Parties to conform with the requirements of the Governor's Executive Order No. 17 and any orders, rules or regulations issued pursuant thereto, shall be a basis for termination of this Agreement by CDOT.

STATE OF CONNECTICUT
BY HIS EXCELLENCY
THOMAS J. MESKILL
GOVERNOR
EXECUTIVE ORDER NO. THREE

WHEREAS, sections 4-81d (b) and 4-114a of the 1949 supplement to the general statutes require nondiscrimination clauses in state contracts and subcontracts for construction on public buildings, other public works and goods and services and

WHEREAS, section 4-81e (c) of the 1949 supplement to the general statutes requires the labor department to encourage and enforce compliance with this policy by both employers and labor unions, and to promote equal employment opportunities, and

WHEREAS, the government of this state recognizes the duty and desirability of its leadership in providing equal employment opportunity, by implementing these laws,

NOW, THEREFORE, I, THOMAS J. MESKILL, Governor of the State of Connecticut, acting by virtue of the authority vested in me under section twelve of article fourth of the constitution of the state, as supplemented by section 3-1 of the general statutes, do hereby ORDER and DECREE, as follows, by this Executive Order:

The labor commissioner shall be responsible for the administration of this Order and shall adopt such regulations as he deems necessary and appropriate to achieve the purposes of this Order. Upon the promulgation of this Order, the commissioner of finance and control shall issue a directive forthwith to all state agencies, that henceforth all state contracts and subcontracts for construction on public buildings, other public works and goods and services shall contain a provision rendering such contract or subcontract subject to this Order, and that such contract or subcontract may be cancelled, terminated or suspended by the labor commissioner for violation of or noncompliance with this Order or state or federal laws concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to such contract or subcontract.

II

Each contractor having a contract containing the provisions prescribed in section 4-114a of the 1949 supplement to the general statutes, shall file, and shall cause each of his subcontractors to file, compliance reports with the contracting agency or the labor commissioner, as may be directed. Such reports shall be filed within such times and shall contain such information as to employment policies and statistics of the contractor and each subcontractor, and shall be in such form as the labor commissioner may prescribe. Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this Order or any preceding similar Order, and in that event to submit on behalf of themselves and their proposed subcontractors compliance reports prior to or as an initial part of their bid or negotiation of a contract.

III

Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor organization or employment agency as defined in section 31-127 of the general statutes, the compliance report shall identify the said organization or agency and the contracting agency or the labor commissioner may require a compliance report to be filed with the contracting agency or the labor commissioner, as may be directed, by such organization or agency, signed by an authorized officer or agent of such organization or agency, with supporting information, to the effect that the same practices and policies, including but not limited to matters concerning personnel, training, apprenticeship, membership, dues, grievance and representation, and upgrading, do not discriminate on grounds of race, color, religious creed, age, sex, marital status, or national origin, or ancestry of any individual, and that the same will either affirmatively cooperate in the implementation of the policy and provisions of this Order, or that it consents and agrees that full and complete employment and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the Order.

IV

The labor commissioner may by regulation exempt certain classes of contracts, subcontracts or purchase order from the implementation of this Order, for standard commercial supplies or raw materials, for less than specified amounts of money or numbers of workers or for subcontracts below a specified tier. The labor commissioner may also provide by regulation for the exemption of facilities of a contractor which are in all respects separate and distinct from activities of the contractor related to the performance of the state contract, provided only that such exemption will not interfere with or impede the implementation of this Order, and provided further, that in the absence of such an exemption, all facilities shall be covered by the provisions of this Order.

V

Each contracting agency shall be primarily responsible for obtaining compliance with the regulations of the labor commissioner with respect to contracts entered into by such agency or its contractors. All contracting agencies shall comply with the regulations of the labor commissioner in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Order and of the regulations of the labor commissioner issued pursuant to this Order. They are directed to cooperate with the labor commissioner and to furnish the labor commissioner such information and assistance as he may require in the performance of his functions under this Order. They are further directed to appoint or designate from among the personnel of each agency, compliance officers, whose duty shall be to seek compliance with the objectives of this Order by conference, conciliation, mediation, or persuasion.

VI

The labor commissioner may investigate the employment practices and procedures of any state contractor or subcontractor and the officials and officers of any labor organization or employment agency hereinabove mentioned, relating to compliance with the state contract, as concerns nondiscrimination by such organization or agency as hereinabove described, or the labor commissioner may initiate such investigation by the appropriate contract agency, to determine whether or not the contractual provisions hereinabove specified or statutes of the state respecting them have been violated. Such investigation shall be conducted in accordance with the procedures established by the labor commissioner and the investigating agency shall report to the labor commissioner any action taken or recommended.

VII

The labor commissioner shall receive and investigate or cause to be investigated complaints by employees or prospective employees of a state contractor or subcontractor or members or applicants for membership or apprenticeship training in a labor organization or employment agency hereinabove described, which allege discrimination contrary to the contractual provisions specified hereinabove or state statutes providing nondiscrimination in employment opportunity. If this investigation is conducted for the labor commissioner by a contracting agency, that agency shall report to the labor commissioner what action has been taken or is recommended with respect to such complaints.

The labor commissioner shall use his best efforts, directly and through contracting agencies, other interested federal, state and local agencies, contractors and all other available instrumentalities, including the commission on human rights and opportunities, the executive committee on human rights and opportunities, and the apprenticeship council under its mandate to provide advice and counsel to the labor commissioner in providing equal employment opportunities to all apprentices and to provide training, employment and upgrading opportunities for disadvantaged workers, in accordance with section 11-31 (d) of the 1963 supplement to the general statutes, to cause any labor organization or any employment agency whose members are engaged in work under government contracts or referring workers or providing or supervising apprenticeship or training for or in the course of work under a state contract or subcontract to cooperate in the implementation of the purposes of this Order. The labor commissioner shall in appropriate cases notify the commission on human rights and opportunities or other appropriate state or federal agencies whenever it has reason to believe that the practices of any such organization or agency violate equal employment opportunity requirements or state or federal law.

II

The labor commissioner or any agency officer or employee in the executive branch designated by regulation of the labor commissioner may hold such hearings, public or private, as the labor commissioner may deem advisable for compliance, enforcement or educational purposes under this Order.

(a) The labor commissioner may hold or cause to be held hearings, prior to imposing ordering or recommending the imposition of penalties and sanctions under this Order. No order for disbarment of any contractor from further state contracts shall be made without affording the contractor an opportunity for a hearing. In accordance with such regulations as the labor commissioner may adopt, the commissioner or the appropriate contracting agency may

- (1) Publish or cause to be published the names of contractors or labor organizations or employment agencies as hereinabove described which it has concluded have complied or failed to comply with the provisions of this Order or the regulations of the labor commissioner in implementing this Order.
- (2) Recommend to the commission on human rights and opportunities that in cases in which there is substantial or material violation or threat thereof of the contractual provision or related state statutes concerned herein, appropriate proceedings be brought to enforce them, including proceedings by the commission on its own motion under chapter 563 of the general statutes and the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly or seek to prevent directly or indirectly compliance with the provisions of this Order.
- (3) Recommend that criminal proceedings be brought under chapter 939 of the general statutes.
- (4) Cancel, terminate, suspend or cause to be cancelled, terminated, or suspended in accordance with law any contract or any portion or portions thereof for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be cancelled, terminated, suspended absolutely or their continuance conditioned upon a program for future compliance approved by the contracting agency.
- (5) Provide that any contracting agency shall refrain from entering into any further contracts or extensions or modifications of existing contracts with any contractor until he has satisfied the labor commissioner that he has established and will carry out personnel and employment policies compliant with this Order.
- (6) Under regulations prescribed by the labor commissioner each contracting agency shall make reasonable efforts within a reasonable period of time to secure compliance with the contract provisions of this Order by methods of conciliation, conciliation, mediation or persuasion, before other proceedings shall be instituted under this Order or before a state contract shall be cancelled or terminated in whole or in part for failure of the contractor or subcontractor to comply with the contract provisions of state statute and this Order.
- (7) Any contracting agency taking any action authorized by this Order, whether on its own motion or as directed by the labor commissioner or pursuant to his regulations shall promptly notify him of such action. Whenever the labor commissioner takes a determination under this Order, he shall promptly notify the appropriate contracting agency and other interested federal, state and local agencies of the action recommended. The state and local agency or agencies shall take such action and shall report the results thereof to the labor commissioner within such time as he shall specify.

III

If the labor commissioner shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless he has satisfactorily complied with the provisions of this Order, or submits a program for compliance acceptable to the labor commissioner, or if the labor commissioner so authorizes, to the contracting agency.

IIII

Whenever a contracting agency cancels or terminates a contract, or a contractor has been disbarred from further government contracts because of noncompliance with the contract provisions with regard to nondiscrimination, the labor commissioner or the contracting agency shall rescind such disbarment, upon the satisfaction of the labor commissioner that the contractor has purged himself of such noncompliance and will thenceforth carry out personnel and employment policies of nondiscrimination in compliance with the provision of this Order.

IIIII

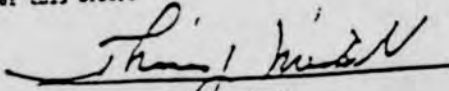
The labor commissioner may delegate to any officer, agency or employee in the executive branch any function or duty of the labor commissioner under this Order except authority to promulgate regulations of a general nature.

IV

This Executive Order supplements the Executive Order issued on September 28, 1967. All regulations, orders, instructions, designations and other directives issued heretofore in these provisions, including those issued by the heads of various departments or agencies under or pursuant to prior order or statute, shall remain in full force and effect, unless and until revoked or superseded by appropriate authority, to the extent that they are not inconsistent with this Order.

This Order shall become effective thirty days after the date of this Order.

Done at Hartford, Connecticut, this 10th day of June, 1971.


GOVERNOR

GUIDELINES AND RULES
OF STATE LABOR COMMISSIONER.
IMPLEMENTING GOVERNOR'S EXECUTIVE
ORDER NO. THREE

SEC. 1. PERSONS AND FIRMS SUBJECT TO EXECUTIVE ORDER NO. THREE AND GUIDELINES AND RULES.

a. Every contractor, or subcontractor as defined in Sec. 2 hereof, supplier of goods or services, vendor, bidder and prospective contractor or subcontractor, having ten or more employees as defined in Sec. 3 of these Guidelines, having or entering into or bidding to enter into any type of contractual relationship with the State of Connecticut or any of its agencies, boards, commissions, departments or officers, and if the consideration, cost, subject matter or value of the goods or services exceeds \$5,000.00, shall be subject to the Governor's Executive Order No. Three and these Guidelines and Rules.

b. A copy of the Governor's Executive Order No. Three and of these Guidelines and Rules shall be available to each said contractor, subcontractor, supplier, vendor, bidder and prospective contractor and subcontractor, and the said Executive Order No. Three and these Guidelines and Rules shall be incorporated by reference and made a part of the contract, purchase order, agreement or document concerned. A copy of the Executive Order and of these Guidelines and Rules shall be furnished to a contracting party or bidder on request.

c. All persons, partnerships, associations, firms, corporations and other entities having less than ten employees as defined in Sec. 3 at the time of the bid and execution of the contract and continuing through the performance of the contract are exempt from the provisions of the said Executive Order and these Guidelines and Rules. All contracts, subcontracts, purchase orders and agreements wherein the consideration is \$5,000.00 or less shall be exempt from Executive Order No. Three and from these Guidelines and Rules.

SEC. 2. SUBCONTRACTORS.

As used herein, subcontractors are persons, partnerships, associations, firms or corporations or other entities having contractual relationship with a contractor who in turn has a contract with the State of Connecticut or any of its agencies, boards, commissions or departments. Subcontractors below this tier are exempt from the Executive Order and from these Guidelines and Rules.

SEC. 3. EMPLOYEES.

As used herein, employees are persons working full or part-time irrespective of personnel classification whose wages, salaries, or earnings are subject to the Federal Insurance Contribution Act and/or to Federal Withholding Tax as a matter of law (whether in fact or not any actual withholding occurs in a given case), in an employee-employer relationship at the time of bid, contract execution, or offer or acceptance, and/or during any time thereafter during the existence of the performance period of the contract to the conclusion thereof.

SEC. 4. REPORTS.

a. Prior to the execution of the contract or prior to acceptance of a bid, as the case may be, the contractor, subcontractor, bidder or vendor shall file a report with the State Labor Commissioner, which report shall be complete and contain all of the information therein prescribed. The report shall be on form S.O. 3-1, a facsimile of which is attached hereto and made a part hereof, or in lieu thereof the contractor, subcontractor, bidder or vendor shall submit a detailed report containing all of the information required in form S.O. 3-1.

b. The Labor Commissioner may require the filing of additional reports prior to final payment or prior to any renewal or extension of the contract and during the duration of the contract at such times as the Commissioner may, in his discretion, from time to time deem necessary. The Labor Commissioner may require the filing of additional information or reports, and the contractor, subcontractor, bidder or vendor shall furnish said information or reports within the times prescribed by the Labor Commissioner.

c. The Labor Commissioner may, at his discretion, also require timely statistical reports on the number of minority employees employed or to be employed in the performance of the contract, and the Labor Commissioner may define such minority groups or persons.

d. Reports filed pursuant to these Guidelines and Rules in implementation of Executive Order No. Three are not public records subject to public inspection, but may be inspected only by federal and state officials having jurisdiction and authority to investigate matters of this type. All federal and state agencies empowered by law to investigate matters relating to Executive Order No. Three shall have access to these reports for inspection or copying during regular business hours.

e. Any person who wilfully, maliciously or through negligence destroys or permits to be destroyed, alters or allows to be altered after filing, any reports submitted in compliance herewith shall be subject to penalties as prescribed by law.

Agreement for Operation by NJ TRANSIT RAIL OPERATIONS, INC.
of Certain Rail Passenger Service on the Main Line/Bergen County
Line, and Pascack Valley Line for METRO-NORTH COMMUTER RAILROAD
COMPANY

This Agreement, executed this 6th day of October, 1997
to be effective as of July 1, 1996 (except as otherwise herein
expressly provided), is made between NJ TRANSIT RAIL OPERATIONS,
INC. ("NJTRO"), an instrumentality of the State of New Jersey, with
offices at One Penn Plaza East, Newark, New Jersey 07105, and
METRO-NORTH COMMUTER RAILROAD COMPANY ("M-N" or "Metro-North"), a
public benefit corporation of the State of New York with offices at
347 Madison Avenue, New York, New York 10017.

WITNESSETH:

WHEREAS, effective July 1, 1985 NJTRO and Metro-North entered
into an agreement entitled "Agreement between NJ TRANSIT Rail
Operations and Metro-North Commuter Railroad for Certain Rail
Passenger Service on the Main Line/Bergen County Line and Pascack
Valley Line" (the "Prior Agreement"); and

WHEREAS, supplemental letter agreements dated October 7, 1991
and September 27, 1995 and another such agreement effective May 23,
1994 were entered into by the parties (the "Supplemental
Agreements"); and

WHEREAS, pursuant to Section 2.02 of the Prior Agreement, the
Prior Agreement was terminated by NJTRO for the purpose of
negotiating a new agreement; and

WHEREAS, pursuant to Section 2.03 of the Prior Agreement,
NJTRO continued to provide rail passenger service and Metro-North
continued to reimburse NJTRO for said rail passenger service
pending the execution of a new agreement, and

WHEREAS, NJTRO and Metro-North have reached agreement on
appropriate new terms and conditions for provision of and
compensation for services described herein as a replacement for the
Prior Agreement and the Supplemental Agreements;

NOW, THEREFORE, in consideration of the foregoing recitals and
mutual promises contained herein, NJTRO and Metro-North agree as
follows effective as of July 1, 1996 (except as otherwise herein
expressly provided):

ARTICLE I

DEFINITIONS

1. M-N or Metro-North shall mean the Metro-North Commuter Railroad Company, a public benefit corporation of the State of New York, and subsidiary of Metropolitan Transportation Authority ("MTA").

2. NJTRO shall mean New Jersey Transit Rail Operations Incorporated, a subsidiary of the New Jersey Transit Corporation ("NJT").

3. Parties shall mean M-N and NJTRO collectively.

4. NJT Rail Properties shall mean the rail properties owned or leased by NJT.

5. M-N Service Area shall mean the territory between Port Jervis and Hoboken on the Main Line/Bergen County Line and between Woodbine Yard and Hoboken on the Pascack Valley Line, over which train service is provided to M-N passengers either on an exclusive basis or in common with NJTRO passengers.

6. M-N Service shall mean the train service provided to M-N Passengers either on an exclusive basis or in common with NJTRO Passengers, consisting of Shuttle Trains, Connecting Trains, Common Trains, M-N Express Trains and NYS Express Trains as defined herein, along with the operations and maintenance required for the performance of such service.

7. Shuttle Trains shall mean those trains carrying M-N Passengers and operated exclusively between Suffern Station and points west thereof on the Main Line/Bergen County Line, and in non-revenue service east of Suffern Station as required for operation, inspection and maintenance of Shuttle Train equipment.

8. Connecting Trains shall mean those trains operating in revenue service between Suffern and Hoboken whose schedules are designed to meet the Shuttle Trains.

9. Common Trains shall mean those trains whose passengers originate or terminate at M-N and NJTRO Stations and operate in both revenue and non-revenue service (i) between Port Jervis and Hoboken on the Main Line/Bergen County Line; and (ii) between Woodbine Yard and Hoboken on the Pascack Valley Line.

10. M-N Express Trains shall mean those trains all of whose passengers are traveling only between M-N Stations, on the one hand and, on the other, Secaucus or Hoboken, and shall include trains

indemnifications which arose and were not satisfied during the term of the Prior Agreement and the Supplemental Agreements shall survive the termination thereof.

2.02 Renewable Term

(a) The Initial Term of this Agreement shall begin July 1, 1996 and end June 30, 2005. The Agreement shall be automatically renewed for successive Renewal Terms of one year unless and until one party shall, on or before of March 15, 2005 or March 15 of any given year after the expiration of the Initial Term, serve the other party with a written notice of termination effective as of June 30 of the year in which such notice is given.

(b) In the event that either Orange or Rockland County withdraws from the Metropolitan Commuter Transportation District, either (1) Metro-North's rights and obligations under this Agreement will be assigned to and assumed by a county(ies), political subdivision or public benefit corporation of the State of New York, with NJTRO's consent which shall not be unreasonably withheld or (2) Metro-North will have the right to terminate this Agreement. In the event of (i) such termination and (ii) an order by a court of competent jurisdiction requiring NJTRO to involuntarily continue operation of the passenger train service provided herein, NJTRO shall be permitted to retain the Metro-North locomotive and coach equipment provided hereunder for use in the Hoboken equipment pool and in Metro-North Service at no cost for the duration of the effectiveness of such order.

2.03 Renegotiation

Should either of the Parties elect to terminate this Agreement pursuant to Section 2.02(a) at the end of the Initial Term or any Renewal Term, and indicate to the other party that termination is for the purpose of negotiating a new agreement, negotiation of such a new agreement shall commence immediately unless such other party advises in writing the party giving such notice that it does not wish to negotiate a new agreement in which event NJTRO shall discontinue the M-N Service ninety (90) days following its receipt of notice that a party does not wish to negotiate a new agreement. In such event or should the Parties commence negotiation of a new agreement, NJTRO shall continue to provide the M-N Service as then constituted and the provisions of this Agreement shall apply to such continued operations until a new Agreement is executed or, if a party has served written notice that it does not wish to negotiate a new agreement, until the expiration of such ninety (90) day-period. Notwithstanding such continued operations, the provisions of a new agreement, should there be one, shall be retroactive to the termination date of this Agreement. In the event the Parties both wish to negotiate a new agreement but fail to execute a new agreement within ninety (90) days after expiration of the prior contract term under Section 2.02, this Agreement shall

terminate upon expiration of such 90-day period unless the Parties agree to continue negotiation of a new agreement.

2.04 Legality of Service Termination

Any of the following discontinuance, reduction of service, termination, or cancellation of Agreement notices hereunder from M-N shall not be effective until accompanied by a certificate that all legal requirements for such discontinuance, reduction termination or cancellation of M-N Service have been met. M-N, when so certifying, shall indemnify NJTRO against any losses resulting from an error in that certification.

- a. Section 2.02
- b. Section 2.03
- c. Section 3.05(i)

2.05 Discontinuance of Obligation

Upon termination or cancellation of this Agreement, all rights and obligations of the parties hereunder shall terminate, including without limitation, M-N's obligations to compensate NJTRO pursuant to the provisions of this Agreement, except for those created by Sections 2.03 and 8.02, and except for rights and obligations whether liquidated, determined, contingent or otherwise, which shall have been accrued or incurred prior to such termination but remain unsatisfied as of the effective date of such termination.

ARTICLE III

ACCESS, MANAGEMENT AND OPERATION

3.01 Access to Properties Not Owned or Leased by NJTRO

Metro-North shall make all arrangements for NJTRO trains and equipment, employees, agents or contractors to operate over and have access to properties west of M.P. 31.5 on the Main Line/Bergen County Line not owned or leased by NJTRO which are necessary for the provision of M-N Service.

3.02 Access to NJTRO and NJT Rail Properties

NJTRO shall grant access to its properties and cause access to be granted to NJT Rail Properties by M-N employees, agents, or contractors as may be necessary to enable M-N to perform its responsibilities under this Agreement; provided, that such entry does not unreasonably interfere with or endanger the passengers, employees, operations or property of NJTRO. M-N agrees to provide NJTRO with reasonable notice as to when such access is to be provided.

3.03 NJTRO Control

NJTRO retains the right to establish the overall policies governing the management and operational control of the M-N Service Area, including but not limited to dispatching and control of all trains, except (i) as otherwise provided in this Agreement, and (ii) for any management and maintenance performed by M-N or third parties on properties required for M-N Service beyond the end of NJTRO ownership at M.P. 31.5 on the Main Line/Bergen County Line. This right to maintain operational control shall include, but not be limited to, the flexibility to adjust schedules and consists on a daily basis, regardless of other provisions of this Agreement, based on emergency or other unanticipated circumstances with which NJTRO management may be presented on any given day.

3.04 NJTRO Operations

(a) Effective July 1, 1996, NJTRO shall provide the M-N Service in accordance with the operating schedules identified in Exhibit 1 hereto, and as they may be amended from time to time pursuant to this Agreement or other agreement of the Parties. Upon the commencement of service to the Secaucus Transfer Station, the said operating schedules (as the same may have been amended as herein provided) shall be revised to provide that all trains operated in M-N Service (except Shuttle Trains) shall stop at that station unless M-N otherwise directs NJTRO.

(b) The scheduled non-stop running time between Suffern and Hoboken shall be 41 minutes and shall not be changed without the agreement of both Parties. Said running time shall be incorporated into the next timetable change after execution of this Agreement.

(c) Within 90 days after the execution of this Agreement, the Service Standards set forth in Exhibit 2 hereto shall be established, observed and reported to M-N by NJTRO for all trains operated in M-N Service. M-N may also perform random inspections at Hoboken and Port Jervis to observe compliance. Delays reasonably attributable to track, signal system and other right-of-way problems in the territory West of Suffern shall be excluded from the on time performance calculations as per Exhibit 2, Items 1 through 4.

(d) NJTRO shall perform "E-cleaning" of the Metro-North owned fleet of coaches on a 90-day cycle at Hoboken or the Meadows Maintenance Complex. The cost of this work is included in the Base Cost set forth in Section 7.01(a). This work shall be performed in accordance with NJTRO's standards applicable to its coaches as set forth in Exhibit 9. NJTRO shall furnish weekly records of all E-cleaning performed on coaches used in M-N Service on the Port Jervis Line to Metro-North's Superintendent-West of Hudson. In the event that experience demonstrates that the work is not being

11.08 Amendments and Approvals

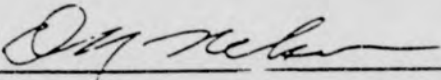
(a) No term or provision in this Agreement may be changed, waived, discharged or terminated orally, but only be an instrument in writing signed by the Parties to this Agreement.

(b) All approvals, concurrences and consents required under this Agreement shall be in writing, signed by a person designated in writing for such purpose unless otherwise provided in this Agreement or agreed to in writing by the Parties. Any oral notices shall be promptly confirmed in writing.

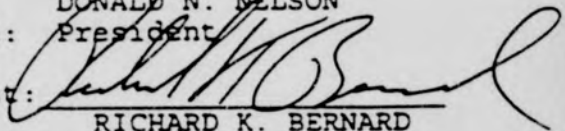
11.09 Change of Circumstances

Each party shall promptly notify the other of any legal impediment, change of circumstances, or any other event or condition which may adversely affect such party's ability to carry out any of its obligations under this Agreement.

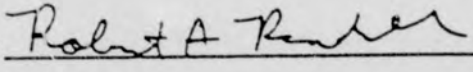
METRO-NORTH COMMUTER RAILROAD COMPANY

By: 
Date: October 6, 1997

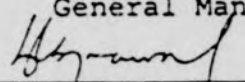
Title: DONALD N. NELSON
President

Attest: 
RICHARD K. BERNARD
Secretary

NJ TRANSIT RAIL OPERATIONS, INC.

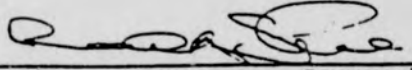
By: 
Date: October 2, 1997

Title: ROBERT A. RANDALL
Vice President and
General Manager

Attest: 
D. C. Agrawal
DGM - Rail Finance & Contracts

This Agreement has been reviewed and is approved as to form only

Attorney General of New Jersey

By: 
Deputy Attorney General

OPERATING ACCESS AGREEMENT

BETWEEN

NORFOLK SOUTHERN RAILWAY COMPANY

AND

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

&

POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION

(d/b/a Virginia Railway Express)

BETWEEN ALEXANDRIA, VIRGINIA
AND
MANASSAS, VIRGINIA

THIS AGREEMENT, made and entered into as of this FIRST day of December, 1994, by and between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation, with its principal place of business at Three Commercial Place, Norfolk, Virginia, 23510-2191 (hereinafter the "Railroad"), and the NORTHERN VIRGINIA TRANSPORTATION COMMISSION and the POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION, bodies politic and corporate and political subdivisions of the Commonwealth of Virginia established under the provisions of the Transportation District Act of 1964, as amended, and having principal places of business at 4350 N. Fairfax Drive, Suite 720, Arlington, Virginia 22203 and 1549 Old Bridge Road, Suite 209, Woodbridge, Virginia 22191, respectively (hereinafter, individually, a "Commission" and, collectively, the "Commissions");

WITNESSETH:

WHEREAS, pursuant to the Operating Access Agreement dated December 1, 1989 between Southern Railway Company and Commissions, as supplemented and amended (the "Original Agreement"), Commissions have operated rail commuter services publicly promoted as the "Virginia Railway Express" over existing rail lines owned or controlled by Railroad between Alexandria, Virginia and Manassas, Virginia more specifically described therein; and

WHEREAS, the Original Agreement was to expire on November 30, 1994, but was extended for an additional period of one-hundred and thirty-five (135) days ending April 15, 1995 by letter agreements dated November 29, 1994, January 18, 1995 and March 10, 1995 (the "Extension Agreements"); and

WHEREAS, Commissions desire to continue to operate or have operated rail commuter services over said rail lines between Alexandria and Manassas; and

WHEREAS, Commissions also desire contemporaneously to operate or have operated rail commuter services over rail lines owned by the CSX Transportation Co. ("CSX"), by the National Railroad Passenger Corporation ("NRPC"), and by Consolidated Rail Corporation ("Conrail"); and

WHEREAS, Railroad is willing, on the terms and conditions hereafter set forth, to permit the continued use of certain of its rail lines and certain of its related facilities and services for operation of rail commuter services;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto agree as follows:

ARTICLE ONE - Definitions

Section 1.1. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the meanings hereinafter specified:

BASE PAYMENT: the monthly payment to be made by Commissions to Railroad pursuant to ARTICLE FIVE hereof as partial compensation for the privilege of using the TRACKS and facilities of Railroad to the extent authorized in this Agreement. The elements of the BASE PAYMENT are set forth in APPENDIX A attached hereto.

EQUIPMENT: the locomotives and passenger cars complying with Section 2.4 of this Agreement which are at any time

used by Commissions, or either of them, or by an agent or OPERATOR, to provide rail commuter SERVICE over Railroad's TRACKS.

IMPROVEMENTS: shall mean changes in, additions and betterments to, or retirements from the TRACKS, facilities, or freight equipment of Railroad made pursuant to any of the provisions of Section 2.9 of this Agreement.

OPERATOR: shall mean any person, firm, corporation, or other legal entity contracting with or utilized by Commissions to operate all or any part of the SERVICE or to be responsible for providing and supervising on-TRAIN personnel for operation of the EQUIPMENT and TRAINS. The term may include one or both of Commissions. An OPERATOR must be approved by and remain subject to the continuing approval of Railroad, which approval shall not be unreasonably withheld.

SERVICE: The SERVICE shall consist of the TRAINS, whether occupied or empty, which are used to provide commuter rail service pursuant to the authority granted by this Agreement. The SERVICE is expected to include the movement of TRAINS operated at the times, with the frequencies, and utilizing the EQUIPMENT specified in APPENDIX B, attached hereto. The provisions of APPENDIX B may be amended at any time by written agreement of the parties, which agreement shall also specify the appropriate agreed amendment to the BASE PAYMENT or TRAIN-MILE LEASE FEE.

SPECIAL TRAIN: A train operated other than as specified in APPENDIX B, as may be allowed pursuant to Section 3.1 of this Agreement on the terms and conditions stated in APPENDIX E.

TRACKS: The TRACKS subject to this Agreement shall be the railroad operating facilities shown or described in the attached APPENDIX C, including but not limited to signalling facilities and crossing warning devices, but shall not include passenger related facilities (such as passenger stations or platforms). The TRACKS shall include such other parallel or related railroad operating facilities of Railroad as may in the discretion of Railroad be temporarily used for the operation of the SERVICE. The rail facilities included within the definition of TRACKS may be changed unilaterally by Railroad at any time pursuant to Section 2.9 hereof. Such rail facilities may also be changed by written agreement of the parties, which agreement shall also specify the appropriate agreed amendment, if any, to the BASE PAYMENT.

TRAIN or TRAINS: A TRAIN shall consist of a locomotive unit or passenger-carrying cab car, or more than one such unit or car coupled, with or without passenger cars, whether or not carrying passengers, up to but in no event exceeding a total of eight coupled locomotive units, cab cars, or passenger cars, having not less than 4.0 horsepower per gross ton of load, displaying markers or carrying an end of train device, and capable of adhering to the schedule standards specified for the SERVICE.

TRAIN-MILE LEASE FEE: A fee for each mile of the TRACKS traversed by any TRAIN to be paid monthly by Commissions to Railroad pursuant to ARTICLE FIVE hereof as partial compensation for the privilege of using the TRACKS and facilities of Railroad to the extent authorized in this Agreement. The elements of the TRAIN-MILE LEASE FEE are set forth in APPENDIX A attached hereto.

ARTICLE TWO - Conditions

Section 2.1. This Agreement shall supersede and replace the Original Agreement (as extended by the Extension Agreements), and shall be effective retroactively as of December 1, 1994 for the term hereof. The obligations of Railroad hereunder are conditioned upon presentation to Railroad of evidence satisfactory to it that Commissions have executed or will execute separate agreements with CSX, Conrail, and NRPC which grant Commissions the right to operate commuter rail service over the lines of each of those railroads. Commissions shall provide Railroad with current copies of such agreements and shall promptly provide Railroad with any subsequent amendments thereto.

Section 2.2. In the event that the terms and provisions of any agreement described in Section 2.1 shall at any time be interpreted, modified or amended so as to become, in the sole judgment of Railroad, more favorable to another railroad contracting with Commissions than the terms and provisions of this Agreement are to Railroad, Railroad may (but need not) require Commissions to modify this Agreement so as to incorporate such interpretation, modification, or amendment, in whole or in part, effective as of the date of this Agreement. The provisions of this Section 2.2 shall not be applicable to the amount of the BASE PAYMENT during the term of this Agreement.

Section 2.3. (a) Commissions have informed Railroad that they intend to continue operation of the SERVICE through an agent. Any person, firm, corporation, or other legal entity contracting with or utilized by Commissions to operate all or any part of the SERVICE shall be an OPERATOR within the meaning of this Agreement, must be approved in advance in writing by Railroad, which approval shall not be unreasonably withheld, and must at all times during the term of this Agreement remain

acceptable to Railroad. If at any time an OPERATOR becomes unacceptable to Railroad, Railroad shall notify Commissions of such unacceptability and Commissions shall promptly select a new OPERATOR acceptable to Railroad. An OPERATOR must comply at all times with all applicable provisions of this Agreement, and no contract whereby Commissions employ an OPERATOR shall relieve Commissions of any of their obligations hereunder. Commissions shall not have the right to assign this Agreement or any portion hereof to any other person or entity, or to permit any person or entity other than an OPERATOR acceptable to Railroad to exercise such rights or enter upon the property of Railroad without the written consent of Railroad.

(b) If Commissions or any OPERATOR shall at any time assert in an administrative, legislative, or judicial proceeding that the TRAINS being used to provide the SERVICE are entitled to preference over the freight operations of Railroad in the use of the TRACKS, or if such a preference is ordered by any court or administrative agency as a consequence of the legal status of an OPERATOR, such assertion or order shall constitute notice to Commissions that the incumbent OPERATOR is unacceptable to Railroad and must immediately be replaced.

Section 2.4. (a) Railroad shall have no responsibility to inspect, maintain, service or repair any EQUIPMENT, but all EQUIPMENT shall at all times comply with applicable Association of American Railroads, federal, state, and local requirements and with Railroad's standards for locomotives and cars permitted to operate over Railroad's TRACKS, which standards shall be identified and specified in writing to Commissions.

(b) All EQUIPMENT used in the SERVICE shall comply with the provisions of the federal Locomotive Inspection Act and the federal Safety Appliance Acts, as amended, and with all regulations adopted pursuant to either Act. Commissions and any

OPERATOR shall also comply with any other applicable laws, regulations or rules, state or federal, covering the operation, condition, inspection or safety of the EQUIPMENT.

(c) Commissions shall defend, indemnify, protect and save wholly harmless Railroad, its corporate affiliates, and its and their respective officers, agents, and employees from all fines, penalties, costs, expenses and liabilities imposed upon or asserted against Railroad, its corporate affiliates, or any of its or their officers, agents, or employees as a result of an alleged violation by Commissions or an OPERATOR of either (i) any of the laws, rules and regulations to which reference is made in Section 2.4(b) or (ii) any of the terms of this Agreement.

Section 2.5. (a) Operation of the SERVICE shall at all times comply with Railroad's operating rules, safety rules, instructions, and regulations. Commissions, an OPERATOR, and all personnel of either who are present on the EQUIPMENT at any time shall comply fully with the federal Rail Safety Act, as amended, and with all applicable laws, regulations or rules, whether federal, state or local, covering the operation, maintenance, condition, licensing, certification, inspection, testing or safety of personnel or EQUIPMENT employed in the maintenance and operation of any of the TRAINS.

(b) Commissions shall defend, indemnify, protect and save wholly harmless Railroad, its corporate affiliates, and its and their respective officers, agents, and employees from all fines, penalties, costs, expenses and liabilities imposed upon or asserted against Railroad, its corporate affiliates, or its or their respective officers, agents, or employees as the result of an alleged violation by Commissions or an OPERATOR of any of the laws, rules and regulations to which reference is made in Section 2.5(a).

(c) Commissions shall make such arrangements with Railroad as may be required to insure that all persons operating EQUIPMENT or TRAINS over the TRACKS are fully competent, trained and qualified for the task they are performing. Commissions shall pay to Railroad, promptly upon receipt of bills therefor, all expenses incurred by Railroad, including the cost of pilots, for qualifying, testing, and maintaining the qualifications of each such employee in accordance with Railroad's operating rules and federal locomotive engineer certification requirements. Railroad will furnish Commissions or their designee with current Time-tables, Operating Rule Books, Safety Rule Books, and any related publications or matériel, including Switch Keys, deemed necessary by Railroad. Commissions shall pay Railroad the reasonable cost of such publications, matériel, or Keys.

(d) Whenever the SERVICE shall be modified so as to require a change in Railroad's Timetables, Commissions shall pay Railroad the total cost of printing and distributing new Timetables.

(e) Commissions, at their sole expense, shall obtain, install and maintain, in all locomotives used with Commissions' TRAINS operating over the TRACKS, functioning radios equipped to transmit and receive appropriate Railroad frequencies.

(f) Railroad will, at least three (3) days in advance, where feasible, notify Commissions or OPERATOR of any investigation or hearing concerning the violation of any operating rule, safety rule, or instructions of Railroad by any of the employees of Commissions or of an OPERATOR. Such investigation or hearing may be attended by any official of Commissions or of their OPERATOR designated by Commissions.

(g) Railroad shall have the right to exclude from the TRACKS any employee of Commissions or of an OPERATOR determined to be in violation of Railroad's rules, regulations, orders, or

instructions whether issued by Timetable, bulletin, or otherwise. Commissions shall indemnify, defend, and save wholly harmless Railroad, its corporate affiliates, and its and their respective officers, agents, and employees from and against any and all claims, liabilities, and expenses resulting from such exclusion or from performance, by an employee who has been so excluded, of any part of the commuter rail operations.

Section 2.6. (a) Commissions acknowledge that their right to use of the TRACKS is subject to the paramount right of Railroad to use its own tracks, and that the right of Railroad to use the TRACKS shall not be diminished by this Agreement. Commissions understand that Railroad has heretofore granted rights to the use of the TRACKS to other railroad companies and to NRPC, and that the rights herein granted are subject to such obligations as Railroad incurred by such prior grants and to such rights as Railroad may elect, in its sole discretion, to grant in the future to other persons or corporations. Commissions hereby agree that they will not assert, directly or through any OPERATOR, that the TRAINS or the SERVICE is entitled to preference over Railroad's freight operations, or over the freight operations of another railroad company entitled to use the TRACKS, or over the intercity passenger trains of NRPC, in the use of any part of the TRACKS. Railroad agrees that it will make reasonable efforts to avoid unnecessary interference with, and to maintain the current SERVICE set out in APPENDIX B. Railroad agrees further that it will make reasonable efforts to attain the proposed SERVICE also set out in APPENDIX B, and, conditioned upon effectuation of necessary IMPROVEMENTS, other SERVICE which may be agreed to by Commissions and Railroad.

(b) If any proposal is made to modify the SERVICE, TRAIN-MILE LEASE FEE, or BASE PAYMENT, Commissions, an OPERATOR (if any), and Railroad shall make every effort to coordinate scheduling to minimize conflicts between Commissions' TRAINS and the

operations of Railroad, NRPC, or others entitled to the use of the TRACKS. Railroad retains exclusive authority to approve or reject any modification of the SERVICE, and also retains the right to require modifications to the SERVICE (with appropriate modification to the TRAIN-MILE LEASE FEE or BASE PAYMENT) whenever, in its exclusive good faith discretion, the SERVICE should be changed or modified.

Section 2.7. In the event that operation of the SERVICE requires the prior approval of or exemption from regulation by the Interstate Commerce Commission or any other governmental agency, securing such approval or exemption shall be the exclusive responsibility of Commissions. Commissions shall not continue the SERVICE, either in their own behalf or by means of any third party OPERATOR, until any such approval or exemption becomes effective. Railroad will, to the extent Railroad deems appropriate, make reasonable efforts to support the actions which Commissions may initiate pursuant to this sub-section.

Section 2.8. Railroad shall at all times have exclusive control of the management of and all operations over the TRACKS. Commissions recognize that delays or cancellations of the SERVICE due to unavoidable conflicts with Railroad's freight service, maintenance activities, weather, labor difficulties, track or equipment failure, conflicting schedules or missed connections of NRPC trains, or of trains of Railroad, or trains of other railroads entitled to use of the TRACKS, or from other causes, are probable. Although Railroad will make reasonable efforts to avoid such delays or cancellations, Railroad shall in no event be responsible for or liable to Commissions, an OPERATOR, or any passenger for the consequences of any such delay or cancellation.

Section 2.9. (a) Railroad, from time to time during the life of this Agreement, may make such changes in, additions and betterments to, or retirements from the TRACKS (including without

limitation the installation of additional crossing protection devices or the modification of existing devices) 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. To the extent such changes, additions and betterments are occasioned or required by the operation of the SERVICE, Commissions shall promptly pursue appropriation of the required funds and shall pay to Railroad the cost of effecting such changes, additions and betterments, and the BASE PAYMENT shall be amended to include the normalized expense of maintaining, repairing and renewing such changed, additional or modified facilities. In the event Commissions fail to appropriate and pay to Railroad sufficient funds for such changes, additions and betterments, Railroad may suspend all or a part of the SERVICE. Where practicable, Railroad will give Commissions sufficient advance notice of such changes, additions, and betterments to permit Commissions to budget for the cost thereof. Except to the extent otherwise agreed by the parties to accommodate the terms and conditions of federal agencies furnishing financial assistance, all such changes, additions and betterments, as well as all changes, additions and modifications described in subparagraph (b) and all additional or altered facilities described in subparagraph (c) of this Section 2.9, shall become part of the TRACKS and property of Railroad, and such retirements shall be excluded from the TRACKS when effected.

(b) Certain changes in or additions and betterments to the TRACKS, including, without limitation, changes in communication or signal facilities and crossing warning devices, are or may be required to permit continuation, modification or expansion of the SERVICE. Upon adequate written notice by Commissions to Railroad of the anticipated modification or expansion of the SERVICE, Railroad shall effect such changes, additions, and signal modifications as it shall determine may be required. Commissions shall

promptly pay Railroad in advance the cost of constructing and installing such changes, additions, and modifications, and the BASE PAYMENT shall be amended to include the normalized expense of maintaining, repairing and renewing such changed, additional or modified facilities.

(c) If the parties mutually agree that any changes in or additions and betterments to the TRACKS, including changes in communication or signal facilities, are required to accommodate Commissions' rail passenger service beyond the level of utilization herein set forth, Railroad shall construct the additional or altered facilities and Commissions shall promptly pay Railroad the cost of constructing, installing, and replacing such additions or alterations. In addition, the BASE PAYMENT shall be amended to include the normalized expense of maintaining and repairing such additional or altered facilities.

(d) In April 1991, Commissions approved payment to Railroad of an annual amount not to exceed \$152,000 in consideration for Railroad's agreement to defer retirement of a portion of its double track between West Springfield and Manassas, Virginia. The parties thereafter determined that Commissions' annual obligation for such deferral would be \$143,830, and Commissions have paid such an amount to Railroad in equal monthly installments during the term of the Original Agreement. It is hereby agreed that Railroad will continue to defer retirement of said track for the period of this Agreement, for the amount stated in APPENDIX A, on the terms and conditions stated in Section 5.1 below. If the parties mutually agree, additional retirements from the TRACKS proposed to be effected by Railroad pursuant to Section 2.9(a) hereof may be deferred on condition that Commissions increase the BASE PAYMENT to Railroad by the amount necessary to compensate Railroad for such deferral, including maintenance, repair, renewal, taxes, and any lost opportunity costs.

(e) In the event that any future statutory or regulatory action by governmental authorities pursuant to the Americans With Disabilities Act or any other statute or regulation requires the installation and maintenance of additional or modified equipment, signals, facilities, instrumentation, or devices on the TRACKS or on the freight equipment, including but not limited to the locomotives, of Railroad and its corporate affiliates, or on the freight or passenger equipment of other railroad companies entitled to use of the TRACKS, or on any other property or facilities of Railroad (including passenger related facilities such as passenger stations or platforms), which action is attributable in whole or in part to the existence of the SERVICE, Commissions shall pay Railroad an appropriate share of the capital costs, and any other actual costs incurred by Railroad, in complying with such statutory or regulatory action, and the BASE PAYMENT shall be amended to include the normalized expense of maintaining and repairing such additional or modified equipment, signals, facilities, instrumentation, or devices on the TRACKS or on the freight equipment of Railroad or its corporate affiliates or on other property or facilities of Railroad.

(f) At the termination of this Agreement, Railroad shall have the option, at the entire cost of Commissions, of removing, or of requiring the removal of, all or any portion of any IMPROVEMENT made pursuant to the provisions of subparagraphs (a) through (e) of this Section 2.9, and of restoring the TRACKS, facilities, or freight equipment following such removal. If Railroad elects to retain all or any portion of such IMPROVEMENT, and if the estimated cost of removal and restoration does not exceed the value of the remaining useful life of the portion retained, Railroad will pay to Commissions the value of the remaining useful life of that portion of the IMPROVEMENT which is retained, less the estimated cost of removal and restoration.

Section 2.10. Performance by Railroad of its maintenance obligations, including (but not limited to) those in ARTICLE SIX hereof, will occasionally result in delays or cancellations of operations of the commuter rail passenger service. Delays or cancellations so occasioned will not relieve Commissions of any obligations herein set forth, or give rise to any rights in Commissions not otherwise herein set forth, but may, if unreasonably prolonged, be used to adjust the BASE PAYMENT.

Section 2.11. (a) If, by reason of any mechanical failure or for any other cause, EQUIPMENT or a TRAIN of Commissions becomes stalled or disabled and is unable to proceed, or fails to maintain the speed required of TRAINS in order to meet normal schedules, or if in emergencies crippled or otherwise defective EQUIPMENT is set out of Commissions' TRAINS on the TRACKS, Railroad may at its option furnish motive power or such other assistance as may be necessary to haul, help or push such EQUIPMENT or TRAINS, or to properly move the disabled EQUIPMENT, and Commissions shall reimburse Railroad for the cost of rendering any such assistance.

(b) If it becomes necessary to make repairs to, or to transfer the passengers on, crippled or defective EQUIPMENT in order to move it, such work may be done by Railroad, and Commissions shall reimburse Railroad for the cost thereof at the then current Association of American Railroads dollar rate for labor charges found in the Office Manual of the A.A.R. Interchange Rules.

(c) Whenever Commissions' EQUIPMENT on the TRACKS requires rerailling, wrecking service or wrecking train service, Railroad may perform such service, including the repair and restoration of roadbed, track, and structures. Except with the permission of Railroad, Commissions shall not perform such service. The cost and expense of such service, including, without limitation, loss

of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, shall be paid by Commissions to Railroad, and such cost or expense shall be included as a cost or expense for which Commissions shall hold Railroad harmless under the provisions of ARTICLE NINE hereof. All EQUIPMENT and salvage from the same shall be promptly picked up by Commissions or the OPERATOR or delivered to Commissions or the OPERATOR and all cost and expense therefor incurred by Railroad shall likewise be paid by Commissions to Railroad.

Section 2.12. If during the term of this Agreement the TRACKS should be appropriated or otherwise acquired by a governmental body or agency thereof, or by a quasi-public body, this Agreement shall terminate. If a part only of the TRACKS is so acquired and, in the opinion of Commissions, the balance of the said TRACKS is no longer suitable for the maintenance of the SERVICE, this Agreement, at the option of Commissions, shall terminate, provided, however, that Commissions first give written notice to Railroad of Commissions' exercise of said option to terminate within thirty (30) days of said acquisition. All awards or compensation for the TRACKS, or part thereof, resulting from such appropriation or acquisition shall be paid to Railroad; insofar, however, as an award or compensation reflects in whole or in part the value of the remaining useful life of IMPROVEMENTS Commissions have paid for during the period of this Agreement or the Original Agreement, Commissions shall receive such value. In the event of a partial appropriation or acquisition as herein contemplated, should Commissions elect to continue the use of the balance of the TRACKS, the parties hereto shall endeavor to reach agreement as to the appropriate adjustment, if any, to the BASE PAYMENT. In the event agreement is not reached, this Agreement shall terminate upon thirty (30) days notice by either party to the other.

ARTICLE THREE - Access

Section 3.1. Railroad hereby grants to Commissions, subject to the terms and conditions of this Agreement, the right to use the TRACKS with Commissions' TRAINS in the provision of the SERVICE. In addition, Commissions may request permission from Railroad to use the TRACKS for SPECIAL TRAINS on the terms and conditions stated in APPENDIX E; provided that, solely with respect to requests for SPECIAL TRAINS, the Director of Operations, Virginia Railway Express shall have express authority to represent and bind Commissions. SPECIAL TRAINS shall in every instance be deemed a part of Commissions' commuter rail service operated pursuant to ARTICLE NINE hereof.

Section 3.2. The rights granted to Commissions herein shall relate solely to use of the TRACKS of Railroad for the operation of TRAINS. Separate Commuter Facilities Agreements (the "CFAs") have been entered into between Commissions and Railroad concerning the construction, maintenance, and use, during the term of the Original Agreement, of certain ancillary facilities (scheduled in APPENDIX F), including, among others, stations, platforms, canopies, parking areas, and depots, for the accommodation of Commissions' employees and passengers. Pursuant to the Original Agreement, the CFAs were to terminate no later than the Original Agreement. Desiring that the CFAs should remain in effect, the parties hereby agree that they shall be extended and shall terminate no later than this Agreement. Except as herein extended, all other provisions of the several CFAs, including those providing for termination due to default or other cause excepting the expiration of the stated term, shall remain in effect; provided, however, that should any provision of a CFA conflict materially with the terms of this Agreement, the latter shall govern; provided, further, that the amended compensation payable by Commissions to Railroad under the CFAs shall be as set forth in APPENDIX A. The CFAs, as hereby extended, shall impose

no cost or liability on Railroad and shall grant Railroad the right, at termination, to require removal from Railroad property at Commissions' expense of all property of or improvements effected by Commissions on Railroad property.

ARTICLE FOUR - Term

Section 4.1. This Agreement shall become effective retroactively and shall commence as of December 1, 1994, and, unless terminated earlier in accordance with its provisions, or with the written consent of both parties, shall automatically terminate on July 15, 1996. Representatives of Commissions and Railroad shall meet during the term of this Agreement to discuss extension and possible modification hereof. It is understood that any extension of the rail commuter service will be conditioned upon payment to Railroad by Commissions of an appropriate return for the use of Railroad's property. It is also understood that neither party is obligated to agree to any such extension.

Section 4.2. (a) Commissions acknowledge that Railroad's agreement to permit the continuation of rail commuter services for the period covered by this Agreement, as well as its agreement to permit the substantial expansion of such commuter services as contemplated by this Agreement, is conditioned upon: (1) the assurances of Commissions that they will work in good faith to develop a plan to purchase Railroad's line between Manassas and Alexandria at a mutually acceptable price, which assurances they hereby affirm, but with the understanding that such assurances do not constitute a binding commitment to purchase said line; (2) the assurances of the Commonwealth of Virginia that the Commonwealth supports the purchase; and (3) the agreement by Commissions, which they hereby affirm, to make reasonable good faith efforts during the term of this Agreement to identify suitable funding necessary to purchase the Manassas

to Alexandria line. Railroad agrees to cooperate closely with Commissions in their efforts to develop such a plan and to negotiate with Commissions in good faith in an effort to establish the terms of a mutually satisfactory purchase agreement, including an acceptable purchase price and method of payment. Railroad acknowledges, further, that any such purchase price shall not include the value of the remaining useful life of IMPROVEMENTS paid for by Commissions during the period of this Agreement or the Original Agreement. Commissions understand that any sale of the Manassas to Alexandria line by Railroad will be contingent upon Railroad's retention of mutually acceptable rights to continue freight operations over the line which do not interfere unreasonably with the Commissions' use of the line for commuter services.

(b) If a final agreement concerning acquisition of Railroad's line between Manassas and Alexandria has not been reached prior to the expiration of this agreement, or if in the sole judgment of Railroad substantial progress toward such an agreement has not been made, Commissions understand that their rights under this Agreement will end.

Section 4.3. Commissions shall have the right to terminate this Agreement at any time on sixty (60) days written notice to Railroad, but no such termination of this Agreement will relieve any of the parties hereto from any obligations or liabilities accrued under this Agreement as of the time such termination becomes effective.

Section 4.4. Termination of this Agreement for any cause shall not eliminate, limit, or otherwise affect an obligation imposed upon any party by the terms hereof. Without limiting the generality of the foregoing, it is specifically recognized that any obligation on the part of a party to assume financial respon-

sibility, to indemnify, or to make a payment of money shall survive termination of this Agreement.

ARTICLE FIVE - Payment

Section 5.1. (a) Railroad and Commissions have agreed to the continuation of the SERVICE for the period of this Agreement contingent upon Commissions' payment of the compensation described below and in APPENDIX A. In addition, it being the premise of the Original Agreement and of this Agreement that Railroad incur no added cost or liability and no substantial interference with freight operations as a result of the SERVICE, Commissions hereby undertake to hold harmless Railroad (which term, as used in this Section 5.1, shall include Railroad, its corporate affiliates, and its and their respective officers, agents, and employees) against all loss, cost, expense, obligation or liability caused or exacerbated by the institution, operation, maintenance, or discontinuance of the SERVICE. The enumeration of any such costs or expenses and inclusion of provisions requiring payment to or indemnification of Railroad by Commissions for such expenses, costs, and risks elsewhere in this Agreement shall in no way diminish the liability of Commissions to compensate or indemnify Railroad for any such costs, liabilities, expenses, or obligations as may hereafter occur, it being the intent of the parties that Railroad be fully protected, indemnified and made whole by Commissions against any such costs, expenses, liabilities and obligations so caused or so exacerbated, whether or not specifically described in this Agreement; provided, however, that this section shall not be deemed to override the provisions of Section 9.1(a).

(b) In addition to such other amounts as may be due under other provisions of this Agreement, Commissions agree to pay to Railroad the following compensation:

(i) On or before April 15, 1995, Commissions shall pay to Railroad the difference between: (1) the BASE PAYMENT and the TRAIN-MILE LEASE FEE for the period commencing December 1, 1994 and ending April 15, 1995; and (2) monthly charges of \$30,664.83 paid to Railroad under the Original Agreement, as modified by the Extension Agreements, during such period; and

(ii) For the period commencing April 15, 1995 and continuing until the expiration of this Agreement, Commissions shall pay to Railroad monthly in advance the BASE PAYMENT and the TRAIN-MILE LEASE FEE.

(c) Payment of the BASE PAYMENT and TRAIN-MILE LEASE FEE (based on estimated train-mileage for the following month under current schedules) shall be rendered no fewer than five (5) days prior to the first day of each month by wire transfer to Railroad's account as designated in writing to Commissions. Should actual train-mileage deviate from the estimated train-mileage on which the TRAIN-MILE LEASE FEE was based, the parties shall make such adjustments and payments as shall be necessary to reconcile accounts. To facilitate such reconciliation of accounts, Commissions shall provide to Railroad by the tenth (10th) day of each month a statement of actual train-mileage for the preceding month.

(d) Upon Commissions' request, Railroad may agree to accept the BASE PAYMENT for all or part of the period of this Agreement in a lump-sum, with an appropriate discount rate applied, according to such terms as may be agreed to by the parties.

Section 5.2. In addition to the payments specified hereinabove, Commissions shall also pay to Railroad monthly, within thirty (30) days of demand when supported by appropriate documentation, any amounts which Railroad shall have failed to earn from NRPC pursuant to APPENDIX V (as it may from time to time be