

Appendix F

Pre-Development Plan Agreement Between the Railroads and MDOT

Pre-Development Plan Agreement Introduction

The purpose of the Pre-Development Plan Agreement (PDPA) is to define the understandings of the parties regarding the development and implementation of the Detroit Intermodal Freight Terminal project. Preparation of the PDPA began in April 2003. It was first produced as a non-binding Memorandum of Understanding (MOU), which was signed by Norfolk Southern Railway, Canadian Pacific Railway and Canadian National Railway. CSX choose not to sign. The MOU was included in the Draft Environmental Impact Statement (DEIS). Following the DEIS public hearing in June 2005, MDOT identified a Preferred Alternative, and the MOU was converted to the PDPA by adding a number of features, particularly the cost allocation (by percentage) of various elements of the project. Language was refined in other places, including: Section B – more explicit explanation of implementation steps; Section C – additional language related to withdrawal from the project; Section F – more detail on governance, with inclusion of a non-voting member of the community; Section G – more language related to modification of the DIFT Development Plan; and, Section H – language related to construction of two private bridges within the Livernois-Junction Yard.

The PDPA has been executed by MDOT and all four Class I Railways affected by the Detroit International Freight Terminal project.

 COPY

DETROIT INTERMODAL FREIGHT TERMINAL PROJECT PRE-DEVELOPMENT PLAN AGREEMENT

A. Parties

This Pre-Development Plan Agreement (“Agreement”), effective this 20th day of November, 2009, by and between (i) the “DIFT Rail-Related Participants,” sometimes referred to as the “DIFT R-R Participants,” as many and only such of the following entities that execute this Agreement: Grand Trunk Western Railroad, Inc. (“CN”), Canadian Pacific Railway Company (“CP”), CSX Transportation, Inc. (“CSX”) Norfolk Southern Railway Company (“NS”), and (ii) the Michigan Department of Transportation (“MDOT”), (also individually, “Party”, and collectively, “Parties” or “DIFT Participants”).

B. Purpose/Steps

The purpose of this Agreement is to further refine the understandings and intentions of the Parties as first set forth in a Memorandum of Understanding (“Memorandum”) between certain of the Parties, dated April 6, 2006, with respect to certain terms of the Detroit Intermodal Freight Terminal project (“DIFT”) and related issues more particularly described below.

The Parties envision the following steps (as presented graphically on Attachment A): (i) the execution of the Memorandum (April 6, 2006, by CN, CP, and NS, which terminated on December 31, 2006), (ii) the publication of the Draft Environmental Impact Statement (“DEIS”) by MDOT (April 15, 2005), (iii) the determination by MDOT of a Preferred Alternative, (iv) the execution of this Agreement, (v) the publication of the Final Environmental Impact Statement (“FEIS”) by MDOT, (vi) the signing of a Record of Decision (“ROD”) embracing the FEIS, (vii) the preparation of a detailed DIFT Development Plan (20-year period) agreed to by all the Parties, (viii) the execution of individual DIFT Program Agreements (rolling five-year periods) between MDOT and the individual DIFT Rail-Related Participants, and (ix) the execution of individual DIFT Project Agreements (providing for specific, then-committed projects) between MDOT and the individual DIFT R-R Participants, as appropriate.

Generally, those last four steps are described as follows:

- Record of Decision – A document prepared by the Division Office of the Federal Highway Administration that presents the basis for selecting and approving a specific transportation proposal that has been evaluated through the various environmental and engineering studies included in the FEIS.
- DIFT Development Plan – A more detailed version of the Preferred Alternative Conceptual Engineering Report accompanied by a timetable of individual projects that span a 20-year period. These projects include terminal improvements, rail line improvements external to the terminal, road improvements external to the

terminal, and property acquisition to accomplish these three categories of improvements. The DIFT Development Plan will be considered complete and valid only when approved in writing by each DIFT Participant in its sole discretion.

- DIFT Program Agreements – The list of the first five years of the projects by individual DIFT R-R Participant in the Development Plan, updated each year to include a “rolling five-year” program of projects. The DIFT Program Agreements, and their respective updates, will be executed and approved by MDOT and each individual DIFT R-R Participant.
- DIFT Project Agreements – A single project (“DIFT Project”) from the DIFT Development Plan to improve a terminal, rail line external to a terminal, or road external to a terminal, or to acquire propert(y)(ies) to accomplish that DIFT Project. Each DIFT Project or Projects will be the basis of a DIFT Project Agreement, which will require funding to be shared by the DIFT R-R Participant(s) that benefit from the DIFT Project and MDOT. These DIFT Project Agreements are fully binding and will be the final step in obligating the necessary funding to allow the covered DIFT Project component to be fully constructed. Required parties to a DIFT Project Agreement will include all DIFT R-R Participants whose property and/or track(s) will be directly affected by the DIFT Project component, regardless of whether they are sharing in the cost.

C. Legal Effect

The following paragraphs are controlling in determining the legal effect of any part of this Agreement.

The Parties expressly acknowledge that at this point in the pre-design and construction process all of the rights and obligations of each Party with respect to the other Parties and the DIFT have not been agreed to or determined and that in order to implement and complete the DIFT, further negotiation, agreement, and documentation, including but not limited to the publication of the FEIS, signing of the ROD, the preparation of the DIFT Development Plan, and the development of a joint governance structure to coordinate and oversee the DIFT (“Governance Structure”), will be required in a manner typical for preliminary engineering, final engineering and construction ventures of the size and scope contemplated.

As such, this Agreement will serve only as a memorialization of the present understandings and intentions of the Parties with respect to the DIFT, which shall not be legally binding, and shall be subject to further execution of agreements by the Parties (including but not limited to those set forth generally in Section B). However, if the ROD is not signed by the federal government by December 31, 2009, this Agreement shall automatically terminate.

Further, the Parties acknowledge that any financial commitment provided by MDOT in connection with the DIFT is subject to approval by various agencies including, without limitation, the State Transportation Commission, the State Administrative Board, the Attorney General (as to legality and form), Department of Civil Service, Department of Management and Budget, and the Federal Highway Administration (FHWA) and that no assurance can now be given that such approval will or will not be forthcoming regarding such commitment. MDOT will make every reasonable effort to ensure funding and completion of the DIFT. MDOT funds or assets that are utilized in the DIFT must be for a transportation purpose and provide public benefits.

In furtherance and not in limitation of the foregoing, the Parties understand that the benefits and costs for individual Parties and collectively are not yet fully understood or agreed to, and that any Party hereto in assessing those benefits and costs may withdraw from this Agreement at any time, without any further obligation or liability, at each Party's individual discretion. The Parties also expressly acknowledge that although the DIFT planning contemplates the use of certain properties belonging to DIFT R-R Participants for various DIFT purposes, the DIFT R-R Participants reserve the right to utilize, lease, or sell those properties for non-DIFT purposes as changed conditions in the future may warrant.

D. Project Description

The purpose of the DIFT is to enhance the economic competitiveness of Southeast Michigan and the State by improving the rail intermodal transportation service capability and efficiencies for business, industry, and the military. The goal is to provide and/or improve regional facilities, owned and/or operated by one or more of the DIFT Rail-Related Participants, with sufficient capacity and interconnectivity to provide for existing and future intermodal demand and to reduce time, monetary costs and congestion to support the economic competitiveness of Southeastern Michigan. This will be done by providing necessary intermodal terminal capacity and by improving the related rail and highway infrastructure within Wayne and Oakland Counties to meet projected intermodal freight demand through 2025. The Parties will work together to:

- Develop new and expanded rail intermodal terminal capacity for intermodal operations of the DIFT Rail-Related Participants serving Southeastern Michigan.
- Make necessary rail infrastructure efficiency and capacity enhancements to facilitate intermodal rail freight train operations of the DIFT Rail-Related Participants in Southeastern Michigan.
- Improve highway infrastructure to facilitate and improve the efficiency of trucking operations from and to the DIFT Rail-Related Participants' intermodal terminals.
- Secure public and private funding needed to complete the DIFT Development Plan, as generally defined in the FEIS and ROD.

E. Background

The DIFT has been in development for several years. The growth of U.S. intermodal traffic, the enormous influx of double-stack trains and marine containers, and the even more recent entry and rapid growth of rail-truckload initiatives have highlighted the need for additional capacity to handle traffic increases and to do so efficiently.

In the 1980s, the railroads consolidated their intermodal service networks into larger hub terminals to improve the efficiency of their terminals through mechanization and elimination of smaller inefficient terminals.

To respond to the challenge of attracting increased intermodal terminal business and in response to the Michigan Legislature's initiative to address intermodal transportation in the Greater Detroit Area, MDOT in 1993 and 1994 undertook a review. The results of that, and subsequent work, recognized that:

- Detroit is one of the top markets in the nation for intermodal freight (trailer or container loads moving by rail).
- Because of the auto industry, Detroit leads the nation in its use of carless or RoadRailer intermodal technology, i.e. a system wherein the truck trailer is placed directly on rail wheels and the trailer becomes part of the rail train.
- One third of Detroit's intermodal traffic is trucked to and from other cities. This means that it travels by rail to Chicago, Toledo or Windsor, Ontario, for example, and then it is trucked to Detroit rather than arriving in Detroit directly by rail. Capital improvements for intermodal service could result in a diversion of some of this intermodal activity to Detroit. This would eliminate some trucks from Michigan's roads which could reduce congestion, improve air quality, and help ease the need for added capacity on the roadway network.
- The improvement of the Detroit-Windsor rail tunnel and the construction of a new Port Huron-Sarnia rail tunnel enhances intermodal access to and from the Detroit area.

It is important to facilitate and enhance the movement of freight which, in turn, drives jobs and economic development growth in Southeast Michigan and plays a key role in national defense. It is also important to respect the quality of life of the residents in neighborhoods where terminals exist and may expand. In that regard, and consistent with the role of ensuring that business and industries involved in the freight transportation segment of the economy continue to have access to their markets, MDOT decided in December 2001 to prepare an Environmental Impact Statement (EIS) to evaluate alternatives to improve intermodal transportation.

The DIFT is proposed for the enhanced development of intermodal terminals of the Class I railroads that are DIFT Rail-Related Participants (CN, CP, CSX, and NS) serving

Southeast Michigan and nearby rail and highway infrastructure to provide increased rail intermodal service to business, industry, and the military in the State. Presently, there are four intermodal terminals in, or in close proximity to, Southwest Detroit: the separate NS and CSX terminals at Detroit-Livernois Yard, and NS's terminals in Delray and Melvindale. NS also has a fourth terminal located at Willow Run, located predominantly in Washtenaw County. There is another intermodal terminal in Wayne County, CP/Oak terminal, located in the northwest corner of the intersection of I-96 and the Southfield Freeway. The CN/Moterm intermodal terminal is on the Wayne County / Oakland County border north of 8 Mile Road between I-75 and Woodward Ave. CP/Expressway operated for four years at a terminal near the Michigan Central Depot. CP/Expressway service was temporarily suspended in June 2004.

MDOT developed a DEIS dated April 15, 2005, on four alternatives: Alternative 1, No Action; Alternative 2, Improve/Expand Existing Terminals; Alternative 3, Consolidation of all four DIFT Rail-Related Participant Class I Railroads' intermodal activity (at the Livernois-Junction Yard area); and Alternative 4, Composite Option which involves consolidation of intermodal activity of CSX, NS and CP at the Livernois-Junction Yard area and CN remaining at its Moterm terminal.¹ In reviewing the various improvements that might be associated with the four alternatives, and various development scenarios and options possible with regard to those alternatives, MDOT consulted with representatives of the DIFT Rail-Related Participants. The DIFT R-R Participants subject to terms and provisions to be agreed, support the DIFT concept as described in Section D; are willing to continue to consult with MDOT as it processes the FEIS and then the ROD.

At this point in the process set forth generally in Section B, MDOT has determined the Preferred Alternative, which has been published in the Final Environmental Impact Statement based on review of and response to comments on the DEIS and interaction with the public and the DIFT Rail-Related Participants. That Preferred Alternative is a modification to Alternative 4 as presented in the Draft Environmental Impact Statement, which contemplates eliminating: 1) expansion of the CN/Moterm Terminal; and, 2) the CP/Expressway intermodal expansion at the Livernois-Junction Yard. The Preferred Alternative is described in the graphic at Attachment B and is more fully defined in the FEIS.

F. Local Area Considerations/Governance

The Parties to this Agreement and a representative from the FHWA and from the Southwest Detroit/East Dearborn neighborhood will endeavor to meet regularly once:

- (i) the ROD is signed by the federal government to discuss implementing the course approved in the ROD, particularly those items which affect the local area surrounding the terminal(s) at which investments will be made; and,

¹ At the time of the DEIS, CN stated it did not intend to relocate its intermodal activity to the Livernois-Junction Yard area and has also stated it will accept no funds to improve its existing intermodal facilities.

- (ii) the Parties have entered into individual DIFT Program Agreements (as set forth generally in Section B).

The public-private Governance Structure will be established among the Parties who execute a DIFT Program Agreement to oversee the implementation, operation, and maintenance of the DIFT over the life of the project.

The Governance Structure is yet to be fully developed by the Parties, but its general components will include the following:

1. A Management Committee will be established to include MDOT, CN, CP, CSX, and NS. The Management Committee will also include a non-voting representative from the FHWA and from the Southwest Detroit/East Dearborn neighborhood.
2. Among the responsibilities of the Management Committee will be to meet regularly to review and approve certain changes to the DIFT Development Plan; and, to review and adopt an annual schedule and budget.
3. A Program Manager will be provided by MDOT, with the advice and consent of the Management Committee.
4. The Management Committee will utilize reasonable efforts to secure federal funding.

G. Terms of MDOT's Participation

Following approvals by the agencies identified in Section C, MDOT expects to participate in the DIFT upon the following general terms:

1. MDOT will complete the FEIS and ROD process and meet any other requirements necessary to qualify for project approval and funding, subject to the cooperation of the DIFT Rail-Related Participants with MDOT in the completion of these requirements.
2. MDOT will make all necessary applications and take other necessary steps to secure federal and state approval and funding for the DIFT, subject to the cooperation of the DIFT R-R Participants with MDOT in securing state and federal approval and funding.
3. MDOT will establish the necessary grant programs and procedures to enable awarding of grants to DIFT R-R Participants for development of elements of the DIFT.
4. MDOT, in collaboration with and subject to the approval of the DIFT R-R Participants, will prepare the DIFT Development Plan.

H. Terms of DIFT Rail-Related Participants' Participation

The DIFT Rail-Related Participants, which may at the option of a specific DIFT R-R Participant, to the extent necessary to implement the DIFT Development Plan, include that company's wholly-owned railroad or non-railroad subsidiaries, expect to participate in the DIFT upon the following general terms:

1. DIFT implementation will include only those projects that are described in the FEIS, ROD, and the subsequently-approved DIFT Development Plan. The primary goal of the FEIS and the DIFT Development Plan is to provide the DIFT R-R Participants with individual intermodal facilities and related infrastructure improvements satisfactorily sized, conditioned, and located for their individual long-term needs which will improve intermodal rail movement through the region. The FEIS and the DIFT Development Plan will include the following types of projects:
 - a. DIFT Intermodal Facilities: The construction of new facilities and the improvement and expansion of existing facilities in the Detroit area for the transfer of truck trailers, including RoadRailers, and containers between rail and highway modes of transportation.
 - b. DIFT Rail Access Improvements: Improvements to existing railroad lines in the general vicinity of the DIFT Intermodal Facilities to facilitate efficient rail access and enhance overall intermodal rail movement through the region.
 - c. DIFT Road Access Improvements: New public roads and/or improvements to existing public roads linking the DIFT Intermodal Facilities to other public highways.
 - d. DIFT Rail Yard Relocations: The relocation, replacement, or modification of existing non-intermodal facilities within the Livernois-Junction Yard terminal area owned by Conrail, or other DIFT R-R Participants, as needed to accommodate the DIFT Intermodal Facilities. The DIFT Rail Yard Relocations shall provide capacity and capability at least equal to the existing facilities being displaced by the DIFT Intermodal Facilities.
2. a. The DIFT Development Plan will be a more-detailed version of the Preferred Alternative accompanied by a timetable of individual projects. Its preparation shall be financed by MDOT, and shall consist of one or more drawings, timetable, plans, and/or renderings to be prepared by MDOT and the DIFT R-R Participants together; provided, however, that each DIFT R-R Participant will bear the respective costs of its review and comment in the preparation of the DIFT Development Plan. Each component of the DIFT Development Plan, with the exception of the DIFT Road Access Improvements, will be allocated in the DIFT Development Plan to a specific DIFT R-R Participant(s).

- b. The DIFT Development Plan shall not be considered complete and valid until it is approved in writing by each DIFT Participant.
 - c. After approval by all of the DIFT Participants, MDOT and any individual DIFT R-R Participant may make further changes to the DIFT Development Plan based upon the procedures agreed to by the DIFT Participants prior to approval of the DIFT Development Plan.
 3. Consistent with the provisions of Paragraph 7.d, with regard to DIFT Rail Yard Relocations, the fair market value for property belonging to DIFT R-R Participants that may be acquired by MDOT for DIFT consistent with the DIFT Development Plan will be established by mutual agreement of MDOT and the applicable DIFT R-R Participant, using an appraiser mutually agreed to from MDOT's standing list of approved appraisers and using professional independent appraisal techniques, pursuant to the provisions and requirements of Michigan law and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §4601 et seq. ("URAA") and regulations promulgated pursuant thereto. The valuation applied shall be exclusive of existing non-intermodal facilities if the existing non-intermodal facilities are to be replaced as part of DIFT at no cost to the owner.
 4. Consistent with the provisions of Paragraph 7.d, the lease rate for property that may be acquired by MDOT for DIFT consistent with the DIFT Development Plan and leased to a DIFT R-R Participant, will be established by mutual agreement of MDOT and the DIFT R-R Participant, using an appraiser mutually agreed to from MDOT's standing list of approved appraisers and using professional independent appraisal techniques, pursuant to the provisions and requirements of Michigan law and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §4601 et seq. ("URAA") and regulations promulgated pursuant thereto; provided, however, that (i) the lease rate is to be based upon the land valuation only, without improvements; (ii) the lease rate for all property to become part of the DIFT facilities at or near the Livernois-Junction Yard shall be based on the fair market value of the Livernois-Junction Yard property; and, (iii) no property will be leased to any DIFT R-R Participant for an amount per acre less than the per acre rental rate applied to the Livernois-Junction Yard property.
 5. In order to receive public funding, each DIFT R-R Participant will, following the approval of the DIFT Development Plan, enter into one or more DIFT Program Agreements with MDOT to cover the construction cost sharing, construction schedule, operation, maintenance, and ownership of those portions of the DIFT Development Plan allocated to it or on its property. No DIFT R-R Participant is required to enter into a DIFT Program Agreement.

6. Except where a DIFT R-R Participant determines to self-fund its own property improvements, the DIFT Program Agreement will generally include the following provisions and/or address the following issues:
- a. Property acquisition cost, construction cost, ownership and timetable of DIFT Intermodal Facilities:
- (i) Subject to the appropriation of sufficient funds, MDOT will, at its sole cost and expense, acquire and clear for construction all property not owned by any DIFT R-R Participant that is required for a DIFT Intermodal Facility as defined by the DIFT Development Plan. Such property will then be leased to the DIFT R-R Participant by MDOT at a lease rate based on the fair market value of the adjoining railroad terminal property determined in accordance with paragraph H.4.
 - (ii) MDOT and the DIFT R-R Participants will share in: (a) paving-related construction cost, and (b) the other construction cost of the DIFT Intermodal Facilities allocated, both for (a) and (b) costs, to the various DIFT R-R Participants. With the exception of the cost of an expanded Central Avenue underpass at the Livernois-Junction Yard (which is provided for elsewhere in this Agreement), each DIFT R-R Participant will pay no more than 10 percent of the paving-related construction cost for existing, operating, unpaved, or paved but deteriorating intermodal terminal areas and no more than 50 percent of the other construction cost of the DIFT Intermodal Facilities allocated to it. Attachment B identifies two potential bridges to carry private roads over tracks within DIFT Intermodal Facilities. If requested by NS or Triple Crown Services Company, MDOT will bear the entire cost of constructing Bridges A and B, provided MDOT, NS, and, where applicable, the DIFT R-R Participants owning and/or operating on the tracks passing beneath the proposed bridges, consider alternative track alignments and other options that will avoid the need for the crossings; and, also in the case of Bridge B, provided that: (1) lifts (defined as a trailer or container loaded onto or off of a railcar) at the existing Livernois Yard intermodal facility serving NS exceed 9,500 per month for at least six (6) consecutive months, and (2) there are plans to utilize as part of the operation of the existing Livernois Yard intermodal facility serving NS a trailer/container parking lot in the portion of Livernois Yard west of Bridge B. The bridges will be two-lane structures designed for tractor-trailer traffic.
 - (iii) Each DIFT Intermodal Facility will be solely controlled, operated, and maintained by the DIFT R-R Participant to which it is allocated. Subsequent to the completion of additions and improvements and at its discretion and expense, the DIFT R-R Participant may make modifications to the DIFT Intermodal Facility and may lease or sublease the DIFT Intermodal Facility to other parties. Nevertheless, for any property leased by MDOT to the DIFT R-R Participant, MDOT concurrence will be required before the property is subleased, which concurrence will not be unreasonably withheld.

- (iv) The timetable for the type of work covered by this subsection will be as provided for in the DIFT Development Plan, which will follow approval of the DIFT ROD.
- b. Construction cost, ownership, and timetable of DIFT Road Access Improvements, DIFT Rail Access Improvements, and DIFT Rail Yard Relocations:
 - (i) DIFT Road Access Improvements: MDOT will be responsible for securing all funds, including for the Central Avenue underpass, from non-DIFT R-R Participant sources for all construction and property acquisition cost of the DIFT Road Access Improvements. MDOT or local road agencies will own and maintain the DIFT Road Access Improvements as public roads.
 - (ii) DIFT Rail Access Improvements: MDOT and the applicable DIFT R-R Participants will share in the construction cost of the DIFT Rail Access Improvements allocated to such DIFT R-R Participants. For improvements that will improve intermodal rail efficiency, the DIFT R-R Participant(s) that will use/benefit from the DIFT Rail Access Improvements will bear a maximum of 50 percent of the cost. The DIFT R-R Participants' share will be allocated between/among the appropriate DIFT R-R Participants as negotiated between/among those DIFT R-R Participants. The DIFT R-R Participant who owns or leases the property to which a specific DIFT Rail Access Improvement is allocated shall own and maintain that DIFT Rail Access Improvement, unless otherwise agreed.
 - (iii) DIFT Rail Yard Relocations: Subject to the appropriation of sufficient funds, MDOT will fully fund all construction and property acquisition cost for DIFT Rail Yard Relocations depicted on the DIFT Development Plan. The DIFT R-R Participant who owns or leases the property to which a specific DIFT Rail Yard Relocation is allocated shall own and maintain that DIFT Rail Yard Relocation and control its use consistent with the lease agreement with MDOT. No other Party shall be required to fund any costs unless otherwise agreed in its sole discretion.
 - (iv) The timetable for the type of work covered by this subsection will be as provided for in the DIFT Development Plan.
- c. Certain trackage rights, or similar access rights, may be necessary to carry out the improvements in this section. Where so required, DIFT R-R Participants, subject to STB authorization and labor issues, as and if required, intend to negotiate bilateral agreements for the movements involved. Such agreements, subject to the provisions of confidentiality agreements, will be incorporated into the DIFT Development Plan and will also address needed capacity enhancement and/or operating issues required to accommodate such access rights requirements.

7. The DIFT Program Agreement(s) will generally include the following provisions and/or address the following issues:
- a. The DIFT Intermodal Facilities and DIFT Rail Access Improvements and associated property acquisition to be provided for in the first five years of the schedule defined by the Development Plan, and as subsequently updated each year to include a “rolling five year” set of projects and properties to be acquired.
 - b. The DIFT Road Access Improvements, DIFT Rail Yard Relocations, Central Avenue underpass projects, and associated property acquisitions, to be provided for in the first five years of the schedule defined by the Development Plan, and as subsequently updated each year to include a “rolling five year” set of projects and properties to be acquired.
 - c. Conrail’s agreement to negotiate a trackage rights agreement, or a similar access agreement, with CP, subject to STB authorization and labor issues, as and if required, to connect the existing CP railroad lines with the DIFT Intermodal Facility to be allocated to CP. The agreement will include terms that provide for the payment of access rights fees that are reasonable for such movements.
 - d. Property acquisition cost and ownership of DIFT Intermodal Facilities:
 - (i) If Conrail property is needed for a DIFT Intermodal Facility to be allocated to CP,² MDOT will pay Conrail an amount per acre equal to the Livernois fair market value determined in accordance with paragraph H.3. MDOT will then lease the property to CP at a lease rate based on the Livernois-Junction Yard fair market value as provided in paragraph H.4.
 - (ii) If Conrail property is needed for a DIFT Intermodal Facility to be allocated to CSX or NS,³ Conrail, CSX and/or NS, as appropriate and/or applicable, will agree to arrange for the property to be sold, transferred, or exchanged by Conrail to CSX or NS, as applicable, for an amount per acre equal to the Livernois-Junction Yard fair market value, or for such other amounts or provisions consistent with the process established by the present agreement between CSX and NS for the Conrail property.

NOW, THEREFORE, it is the intent by and between the Parties hereto to be committed to partner together toward completing the DIFT, subject to the terms of this Agreement and other future agreements between MDOT and the participating DIFT Rail-Related Participants, and to move forward to enhance the competitiveness of Southeast Michigan and the State by developing necessary intermodal rail terminal capacity and improving the supporting rail and highway infrastructure.

² At the time of this Agreement, the Preferred Alternative Conceptual Engineering Report envisions a straightened “mainline” track with approximately 12 acres of existing Conrail property north of that straightened mainline to become part of the proposed CP intermodal facility.

³ At the time of this Agreement, the Preferred Alternative Conceptual Engineering Report envisions approximately 65 acres of existing Conrail property to become part of the proposed Triple Crown facility.

IN WITNESS HEREOF, the Parties have caused their respective officers, duly authorized, to execute this Agreement to be effective as of the date first written above.

This Agreement may be executed in counterparts with separate execution pages for each of the DIFT Participants; provided, however, that each counterpart shall be executed by MDOT, and the date of MDOT's execution shall be the effective date of the counterpart.

**GRAND TRUNK WESTERN
RAILROAD, INC.**

MICHIGAN DEPARTMENT

BY: Paul E. Ladue

Paul E. Ladue
Region Director
Contracts & Administration

(REST OF PAGE DELIBERATELY LEFT BLANK.)

IN WITNESS HEREOF, the Parties have caused their respective officers, duly authorized, to execute this Agreement to be effective as of the date first written above.

This Agreement may be executed in counterparts with separate execution pages for each of the DIFT Participants; provided, however, that each counterpart shall be executed by MDOT, and the date of MDOT's execution shall be the effective date of the counterpart.

CANADIAN PACIFIC RAILWAY COMPANY

BY: Brian Pithers

TITLE: VP Law & General Counsel

(REST OF PAGE DELIBERATELY LEFT BLANK.)

IN WITNESS HEREOF, the Parties have caused their respective officers, duly authorized, to execute this Agreement to be effective as of the date first written above.

This Agreement may be executed in counterparts with separate execution pages for each of the DIFT Participants; provided, however, that each counterpart shall be executed by MDOT, and the date of MDOT's execution shall be the effective date of the counterpart.

CSX TRANSPORTATION INC.

BY: _____

TITLE: _____

(REST OF PAGE DELIBERATELY LEFT BLANK.)

IN WITNESS HEREOF, the Parties have caused their respective officers, duly authorized, to execute this Agreement to be effective as of the date first written above.

This Agreement may be executed in counterparts with separate execution pages for each of the DIFT Participants; provided, however, that each counterpart shall be executed by MDOT, and the date of MDOT's execution shall be the effective date of the counterpart.

NORFOLK SOUTHERN RAILWAY COMPANY

BY: 

TITLE: Vice President Intermodal ops.

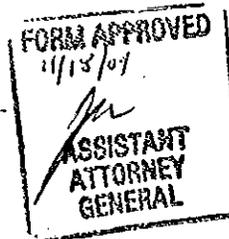
(REST OF PAGE DELIBERATELY LEFT BLANK.)

IN WITNESS HEREOF, the Parties have caused their respective officers, duly authorized, to execute this Agreement to be effective as of the date first written above.

This Agreement may be executed in counterparts with separate execution pages for each of the DIFT Participants; provided, however, that each counterpart shall be executed by MDOT, and the date of MDOT's execution shall be the effective date of the counterpart.

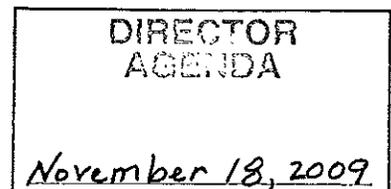
**MICHIGAN DEPARTMENT
OF TRANSPORTATION**

BY: *[Signature]*
DIRECTOR OF THE BUREAU OF HIGHWAY
DEVELOPMENT
TITLE: DIRECTOR
KIRK T. STEIDLE

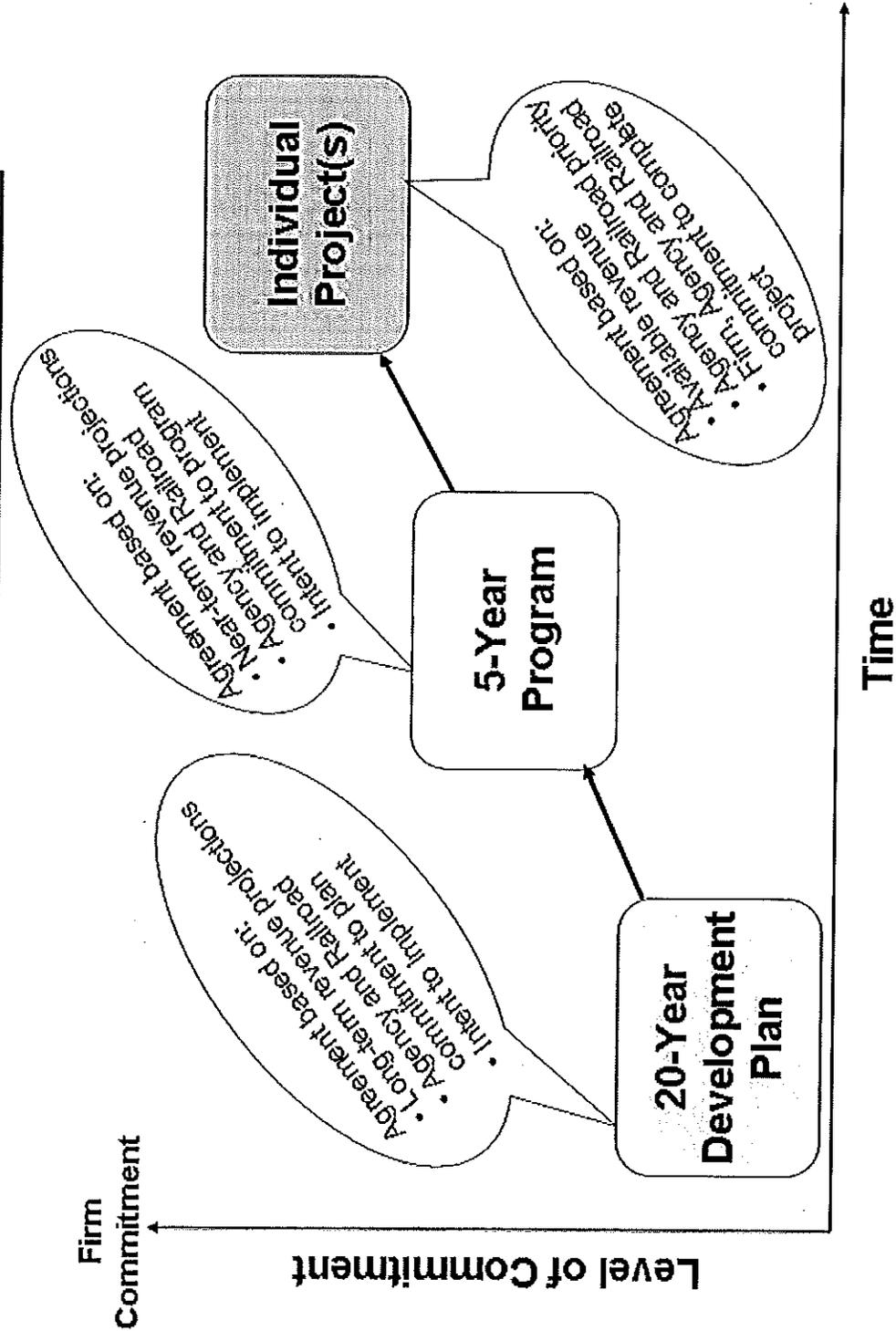


(REST OF PAGE DELIBERATELY LEFT BLANK.)

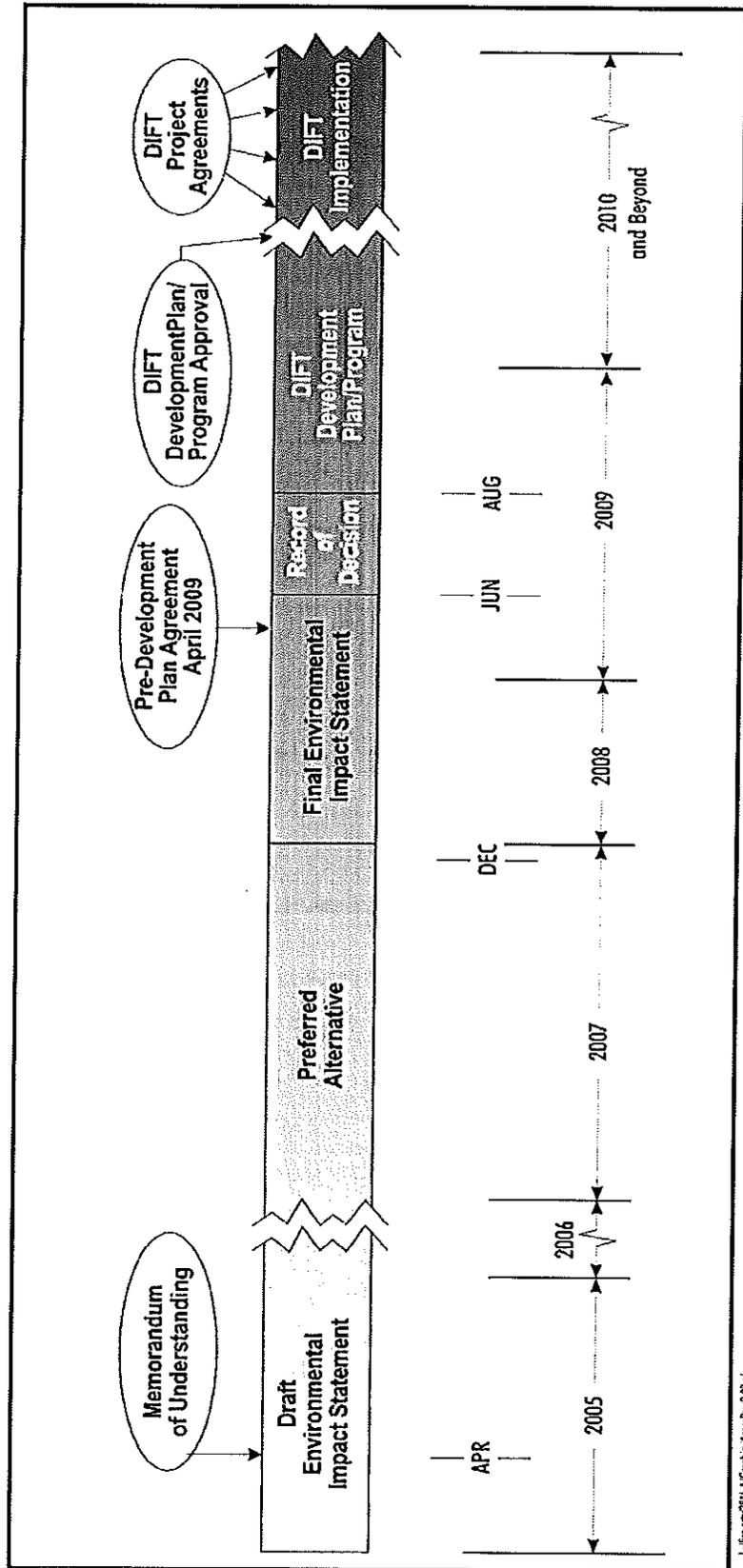
I:\Projects\2816-A-From LWPApril 2009 Rev 083109 Clean PDP.A.doc



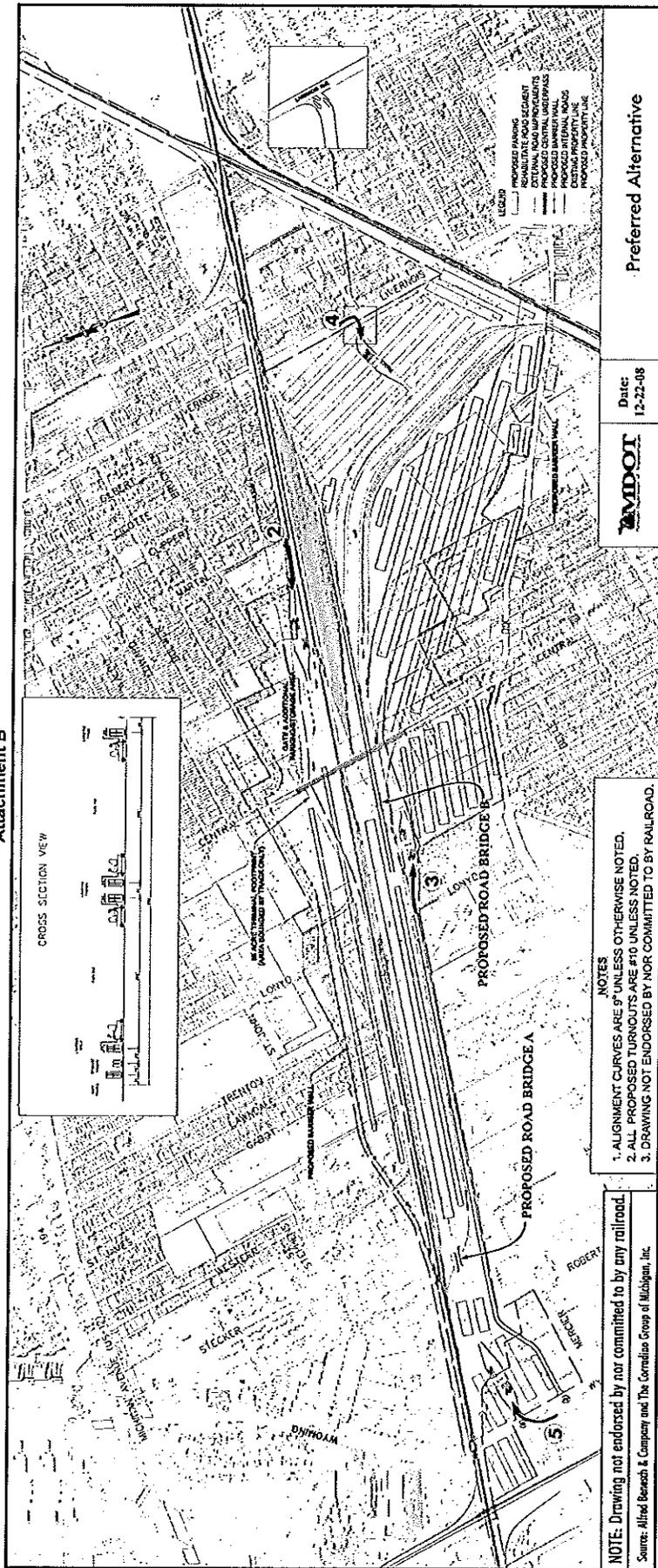
Attachment A
 DIFT Plan – Program
 Project Agreements and Level of Commitment



Attachment A
**DIFT Intermodal Freight Terminal Project
 MDOT/Class I Railroad Agreement Process**



Attachment B



NOTE: Drawing not endorsed by nor committed to by any railroad.
 Source: Alfred Benesch & Company and The Corridor Group of Michigan, Inc.
 17 Project 21046/21046/08/0000/0000/0000

NOTES
 1. ALIGNMENT CURVES ARE 9° UNLESS OTHERWISE NOTED.
 2. ALL PROPOSED TURNOUTS ARE #10 UNLESS NOTED.
 3. DRAWING NOT ENDORSED BY NOR COMMITTED TO BY RAILROAD.

AMDOT
 Date: 12-22-08

Preferred Alternative