

MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** ("Memorandum") is made and entered into this _____ day of November, 2010, by and between the Village of Ford Heights, an Illinois municipal corporation ("Ford Heights") and Grand Trunk Corporation, a wholly owned U.S. subsidiary and owner of the U.S. rail operating subsidiaries of Canadian National Railway Company ("CN") (collectively, "GTC"), and co-applicant in the filing before the Surface Transportation Board ("STB"). This Memorandum sets out certain commitments GTC is prepared to make to address the following issues resolved by the parties related to existing train traffic and changes in train traffic anticipated as a result of the CN/EJ&EW transaction ("Transaction"), authorized by the STB on December 24, 2008 in STB Finance Docket No. 35087 and consummated on January 31, 2009, and the corresponding agreement by Ford Heights that these commitments by GTC resolve any concerns Ford Heights has related to the Transaction. The specific terms of this Memorandum between GTC and Ford Heights are summarized below, and will be effective upon the execution of this Memorandum by duly authorized representatives of Ford Heights and GTC.

A.

I. Industrial and Economic Development.

GTC will provide a total of \$60,000 to Ford Heights to aid in the identification and marketing of industrial properties within the Village.

GTC will commit to disburse 50% of these funds within 30 days of the execution of this memorandum, and the additional 50% in 2011. Ford Heights will be responsible for providing an annual report to GTC of all expenditures.

Ford Heights agrees to share the industrial site inventory with GTC. GTC will make this information available to prospective rail users interested in industrial properties in Illinois.

II. Communications.

GTC will offer to fund at its sole expense the establishment of an emergency protocol and dispatching view capability on behalf of Ford Heights at the single most impacted agency dispatching emergency vehicles for Ford Heights across the EJ&EW line. GTC shall bear the cost of the hardware, software and communication equipment in order to provide this dispatching view capability at the designated dispatch facility.

III. Emergency Response Training.

GTC will offer to provide training at no cost to Ford Heights for the designated lead agency responsible for Ford Height's emergency response. This does not preclude additional training in subsequent years for new employees and as a refresher.

IV. Recreational Facilities.

GTC will provide \$35,000 to Ford Heights for the development and/or improvement of recreational facilities within the community. These funds may be used for security fencing, playground apparatus, field infrastructure, and landscaping. GTC will commit to disburse these funds within 30 days of the execution of this memorandum.

B.

CONDITIONS FOR GTC'S OBLIGATIONS UNDER THIS MEMORANDUM OF AGREEMENT

I. The commitments of GTC set forth in this Memorandum are conditioned upon the following:

(A) Ford Heights agrees that it shall not make any submissions in the STB proceeding (or in related appellate proceedings) without GTC's prior review and approval except in support of this Memorandum and/or the STB's decision approving the Transaction.

II. GTC will fulfill its commitments stated herein within three years following execution of this Memorandum.

III. **Confidentiality**

This negotiated Memorandum and its terms shall be confidential, except to the extent disclosure may be essential for consideration by the Ford Heights corporate authorities at a public meeting and as otherwise required by the Illinois Freedom of Information Act ("FOIA"), and by law and, other than under FOIA, only after notice to, and consultation between GTC and Ford Heights, and except that it may be submitted to the STB's Section of Environmental Analysis ("SEA"), subject to a request that it be kept confidential by SEA and the STB.

IV. **Sole Remedy**

It is the intent of the parties to this Memorandum that the STB require GTC's compliance with this agreement in lieu of any additional or inconsistent mitigation that the STB might otherwise impose regarding environmental impacts in Ford Heights. SEA has asked that CN provide copies of any formalized agreements between GTC and affected communities, and the parties agree that GTC shall provide a copy of this Memorandum to SEA upon execution.

Agreed To:

GTC

By: Erin T. Jakubik
GTC

Director
Title

Date: November 3, 2010

Agreed To:

Village of Ford Heights

By: Charles Huff
Mayor

Attest: Jessie Bryant
Village Clerk

Date: November 3, 2010