

RESOLUTION NO. 0860-0309

BEING A RESOLUTION APPROVING AND
AUTHORIZING THE EXECUTION OF A
MEMORANDUM OF AGREEMENT WITH THE
CANADIAN NATIONAL RAILWAY COMPANY.

BE IT RESOLVED by the President and Board of Trustees of the Village of Matteson,
Cook County, Illinois, as follows:

Section 1. That the President and Board of Trustees hereby approve the attached
Memorandum of Agreement with the Canadian National Railway Company in connection with
their proposed purchase of the E.J. & E. Railway.

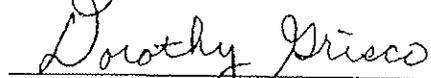
Section 2. That the Village Administrator is authorized to execute the Memorandum
of Agreement on behalf of the Village of Matteson, and the Village Administrator is authorized
to take such action as may be required to comply with the terms of the said Memorandum of
Agreement.

Section 3. This Resolution shall take effect upon its passage.

PASSED and APPROVED this 16 day of March, 2009.


Village President

ATTEST:


Village Clerk

(Seal)

AYES: 4-Trustees Little, Imoukhuede, Brown, Sawyer III

NAYS: 0

ABSENT: 2-Trustees Motton, Burton

MEMORANDUM OF AGREEMENT

This *MEMORANDUM OF AGREEMENT* ("Memorandum") is made and entered into this day of March, 2009, by and between the *Village of Matteson* ("Matteson"), an Illinois municipal corporation, and *Grand Trunk Corporation*, a wholly owned U.S. subsidiary and owner of the U.S. rail operating subsidiaries of Canadian National Railway Company (collectively, "GTC"), and co-applicant before the Surface Transportation Board ("STB") in STB Finance Docket No. 35087. 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 the corresponding agreement by Matteson that these commitments by GTC resolve any outstanding concerns Matteson has related to the Transaction. The specific terms of this Memorandum between GTC and Matteson are summarized below, and will be effective upon the execution of this Memorandum by duly authorized representatives of Matteson and GTC.

A.

I Quiet Zones

- A. GTC will fund and install at GTC's sole cost constant warning time (CWT) circuitry on the EJ&E line in three locations in Matteson, at the crossings at Ridgeland, Central and Cicero Avenues, at an estimated cost of \$180,000.
- B. GTC will provide funds to install a median barrier at Main Street at an estimated cost of \$200,000.
- C. GTC will bear all cost, until the application for the Quiet Zone, has been approved by the appropriate authorities, having jurisdiction over the same. Once the Quiet Zone has been approved, GTC will fund additional measures required to maintain the Quiet Zone designation on the EJ&EW line within the village limits of Matteson should retention of the designation be jeopardized by additional GTC train volumes on that line. This provision will be limited for a period of 10 years from the date of acquisition by GTC of control of EJ&EW.

II Safety/Noise

GTC will install at its expense, noise mitigation at the new connection to be built between the existing EJ&EW and the CN rail line in Matteson.

In addition, GTC will provide \$625,000 to Matteson for the installation of noise mitigation, whether sound walls, fences, berms and/or vegetation. Where necessary or

cost-efficient, and with GTC's approval (not to be withheld unreasonably), sound walls may be constructed on GTC property. Except for maintaining the structural integrity of sound walls (if installed) on GTC property, all maintenance for sound walls (including removal of graffiti and/or other defacement) or vegetation that Matteson chooses to install, is the obligation of Matteson. If Matteson elects to build sound walls on GTC's property, they will do so in accordance to GTC specifications. Matteson shall provide GTC annual reports of the expenditure of GTC-contributed funds for the matters in this paragraph. Funds not used for this purpose within 5 years following GTC's acquisition of control shall be returned to GTC.

III Emergency Response Training

GTC will provide training at its sole cost to Matteson for Matteson's emergency responders. GTC will complete a training plan in conjunction with the Police Chief and the Fire Chief. All training will be completed within a 3-year period following acquisition by GTC of control of the EJ&EW. This does not preclude additional training in years following that 3-year period, for new employees and as a refresher.

In addition, GTC will fully fund training at the Hazmat Training Facility in Pueblo, Colorado, for the Fire Chief and a designate.

IV Communications

GTC will fund at its sole expense a specific emergency protocol and dispatching view capability on behalf of Matteson at an estimated cost of \$50,000. GTC agrees to bear all of the cost of the hardware, software and communications equipment, which the parties jointly deem necessary. Matteson agrees to assist in the design, testing and training.

V Other

A. GTC will make improvements to the underside of the Front Street Bridge as requested by Matteson. The improvements will be similar to the METRA improvements recently done at this location.

B. GTC will provide \$50,000 to Matteson to be used towards the purchase of safety of emergency response equipment. The funds not used for this purpose within 3 years following GTC's acquisition of control of EJ&EW, shall be returned to GTC.

C. GTC will work with Matteson to establish an inventory of sites suitable for potential economic development and will provide \$5,000 to create marketing material to assist with the selling of identified sites.

B.

CONDITIONS FOR GTC'S OBLIGATIONS UNDER THIS MEMORANDUM OF AGREEMENT

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

- (A) Acquisition by GTC of control of the EJ&EW, pursuant to STB authorization.

- (B) The Village of Matteson hereby commits to negotiate in good faith with Illinois Central Railroad Company (railroad operating subsidiary of Grand Trunk Corporation) or its nominee to promptly reach resolution with respect to the following three issues.
 - i) Realignment of existing North Street to accommodate a revised Kiss and Ride facility to serve the existing commuter parking lot currently owned by the Village of Park Forest (PIN 31-26-200-002-000).
 - ii) The Village will make their personnel available at HOC's request to facilitate negotiations between the Railroad and the Holden Park Homeowners Association for sale to the Railroad at a market price for real property previously identified as being required for rail purposes, with a target date for execution of a purchase agreement of March 20th, 2009.

- (C) Matteson agrees that it shall not make further submissions in the proceeding or in any related appellate proceedings without GTC's prior review and approval except in support of this agreement and prompt STB approval of the Transaction.

- (D) As promptly and commercially reasonable, but not later than the end of 3 years after the acquisition by GTC of control of EJ&EW, GTC shall fulfill all of its commitments contained herein.

II. Confidentiality

This negotiated Memorandum and its terms shall be confidential, except to the extent disclosure may be essential for consideration by the Matteson corporate authorities at a public meeting and as otherwise required by law, 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.

III. 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 Matteson. SEA has asked that GTC 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:

Village of Matteson

By: [Signature]

Title: Village Administrator

Date: 8/19/09

GTC

By: [Signature]

Title: Vice President

Date: 8/19/09