

## MEMORANDUM OF AGREEMENT

This **MEMORANDUM OF AGREEMENT** ("Memorandum") is made and entered into this      day of March, 2009, by and between the **Village of Richton Park** ("Richton Park"), 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 Richton Park that these commitments by GTC resolve any outstanding concerns Richton Park has related to the Transaction. The specific terms of this Memorandum between GTC and Richton Park are summarized below, and will be effective upon the execution of this Memorandum by duly authorized representatives of Richton Park 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 Richton Park, at the crossings at Ridgeland, Central and Cicero Avenues, at an estimated cost of \$180,000. (See Exhibit 1)
- B. GTC will support and provide at its sole cost and expense technical input to Richton Park's application for a Quiet Zone. GTC will bear such cost until the application for the Quiet Zone has been approved by the appropriate authorities having jurisdiction over the same.
- C. Once the Quiet Zone has been approved, GTC will fund additional measures required to maintain the Quiet Zone designation of the EJ&EW line within the village limits of Richton Park 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 the acquisition by GTC of control of EJ&EW.

#### II      Safety

- A) GTC will fund a total of 1,800 feet of safety fencing in Glaeser Park at an estimated cost of \$60,000. (See Exhibit 2)

- B) Wheel Impact Load Detectors (WILD) and other similar kinds of safety-protective devices (such as hot-box, hot-wheel and dragging-equipment detectors) shall be appropriately placed and integrated into GTC's operations on the EJ&EW line, including through Richton Park.

### **III Emergency Response Training**

GTC will provide training at its sole cost to Richton Park for Richton Park'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 the 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 Richton Park 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. Richton Park agrees to assist in the design, testing and training.

### **V Other**

- A. GTC will provide \$75,000 to Richton Park to be used towards the purchase of safety or emergency response equipment. Funds may also be used by Richton Park towards the purchase and installation of variable message signs. The funds not used for these purposes within 3 years following GTC's acquisition of control of EJ&EW, shall be returned to GTC. Richton Park shall provide GTC annual reports of the expenditures, including invoices, of the GTC-contributed funds for the matters in this paragraph.
- B. GTC will convey an easement at no cost to Richton Park, over the existing crossing at Cicero Avenue, for the sole purpose of connecting the planned bike path to be built between Matteson and Richton Park. Richton Park acknowledges that they will assume all future liability at this pedestrian crossing and will build the crossing at no cost to GTC. GTC's commitment to convey the above-stated easement will remain available for no more than 5 years from the acquisition by GTC of control of EJ&EW.
- C. GTC will work with Richton Park 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

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

- (A) Richton Park 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.
- (B) 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 Richton Park 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 Richton Park. 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 Richton Park

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

Village President

GTC

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

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

Date: March 9, 2009

Date: 3-11-09