

Execution Copy

TRANSITION AGREEMENT

Between State of Florida Department of Transportation
and CSX Transportation, Inc.

Pertaining to the Central Florida Rail Corridor, a Line of
Railroad Between Deland, Florida, and Poinciana, Florida,
and Related Properties

Dated: November 30, 2007

Table of Contents

Section 1. Transition.....	4
Section 2. Important Dates; Schedule; Milestones.....	7
Section 3. Use of Corridor.....	8
Section 4. Operations and Management.....	9
Section 5. Compensation.....	15
Section 6. Procurement; Design, Engineering; Construction.....	17
Section 7. Diversion of Trains.....	19
Section 8. Communication and Decision Making.....	22
Section 9. Liability and Insurance.....	23
Section 10. Incentives and Disincentives.....	24
Section 11. FCEN and Sidetracks.....	29
Section 12. Concurrent Agreements.....	32
Section 13. Termination and Commencement of CFOMA.....	33
Exhibit 1. Map and Description of the S-Line.....	1

Appendices

Appendix A – Central Florida Rail Corridor Definitions.....	A-1
Appendix B – Transition Agreement Definitions.....	A-5
Appendix C – Dispatching Services Agreement.....	A-9
Appendix D – Orientation Services Agreement.....	A-23
Appendix E – Central Florida Commuter Rail Transit System Flagging Criteria and Orange Fence Policy.....	A-33

TRANSITION AGREEMENT

THIS TRANSITION AGREEMENT (this "Agreement") made as of the 30th day of November, 2007 (the "Effective Date") by and between STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, whose address is Haydon Burns Building, 605 Suwannee Street, Tallahassee, FL 32399-0450 (hereinafter referred to as "State") and CSX TRANSPORTATION, INC., a Virginia corporation, whose address is 500 Water Street, Jacksonville, FL 32202 (hereinafter referred to as "CSXT"). Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in accordance with Appendix A, "Central Florida Rail Corridor Definitions" and Appendix B, "Transition Agreement Definitions:"

WHEREAS, by Contract For Sale and Purchase dated as of November 30, 2007 (hereinafter referred to as "Contract"), State agreed to acquire and CSXT agreed to sell certain properties therein described (comprising a portion of CSXT's A-Line) upon which railroad freight, commuter, and other passenger rail services are to be conducted; and

WHEREAS, under such Contract, upon satisfaction of the conditions precedent, CSXT will convey and transfer to the State, on a Closing Date to be determined, all of CSXT's right, title and interest in the State Property with CSXT retaining and not transferring to State those perpetual easements (the "CSXT Easement" and the "Reserved Easement") over the properties acquired by State as each perpetual easement is described in the Deed; and

WHEREAS, by the Central Florida Operating and Management Agreement dated as of November 30, 2007 (hereinafter referred to as "CFOMA"), State and CSXT established the terms and conditions that will govern the conduct of Railroad Operations over the State Property

in a manner consistent with the other uses of the State Property, and expressing the mutual intention of the parties hereto that State shall not obtain nor assume any common carrier obligation and that CSXT shall remain, and State shall not become, the rail carrier subject to the Interstate Commerce Act, the ICC Termination Act of 1995, the Railway Labor Act, or any other federal law as enacted or revised, relating to the provision of railroad freight transportation on the State Property; and

WHEREAS, the parties have agreed to develop, design, construct, and implement, those certain projects to be specified in a Master Projects Agreement to be entered into by State and CSXT, which projects are designed, among other things, to improve Florida's transportation systems, to alleviate congestion and create additional capacity on other CSXT rail lines in the State of Florida, to support infrastructure for the Terminal Facility between MP SX 828.8 and MP SX 834.5 to accommodate freight service on the S-Line and to allow for the transfer of certain freight trains from the State Property to the S-Line to allow for the more efficient provision of Railroad Operations on the State Property; and

WHEREAS, upon construction and operation of appropriate substitute facilities and to the extent reasonably practicable at a mutually agreeable time, CSXT will re-route certain freight trains, including, but not limited to the coal and flyash trains identified in Section 7(a) of this Agreement, to access the State Property from the South so as to facilitate State construction activities on the State Property during the Transition Period; and

WHEREAS, CSXT and State have agreed that upon the State Management Date, CSXT shall transfer to State, and State shall implement and be responsible for the operation, maintenance and dispatch of all Railroad Operations on the State Property, with the further

agreement that CSXT shall perform all dispatching responsibilities during the initial construction phase pursuant to a contract with State.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, the parties hereto, intending to be legally bound, UNDERSTAND AND AGREE AS FOLLOWS:

Section 1. Transition.

(a) This Transition Agreement shall govern the conduct of Railroad Operations on and the maintenance of the State Property during the Transition Period. During said Transition Period the following Sections of CFOMA, except as otherwise noted below, shall be as effective and operational as if fully set forth herein, notwithstanding that the Commencement Date of CFOMA has not occurred:

Section 3. OPERATION AND MANAGEMENT, except to the extent said CFOMA Section 3 is inconsistent or conflicts with this Agreement, in which event, this Agreement shall have control over the inconsistent or conflicting provisions.

Section 4. MAINTENANCE.

Section 5. ADDITIONS, BETTERMENTS, RETIREMENTS AND ALTERATIONS.

Section 6. REVENUES.

Section 7. EXISTING AGREEMENTS PERTAINING TO THE STATE PROPERTY AND THE CSXT PROPERTY.

Section 8. FUTURE AGREEMENTS PERTAINING TO AND USES OF THE STATE PROPERTY.

Section 9. TAXES, ASSESSMENTS AND UTILITIES.

Section 10. CASUALTY LOSSES.

- Section 11. ABANDONMENT AND/OR DISCONTINUANCE.
- Section 12. COMPLIANCE WITH LAWS.
- Section 13. LIENS AND CHARGES.
- Section 14. EMINENT DOMAIN.
- Section 15. PAYMENT OF BILLS AND RECORDS.
- Section 16. DEFAULT AND BREACH, except that the reference therein to operating windows in Subsection 3(i) of CFOMA shall be read to be a reference to the operating requirements relating to operating windows, Curfews, or other restrictions on the movement of rail traffic as provided in Section 4 hereof.
- Section 17. DISPUTE RESOLUTION AND ARBITRATION.
- Section 18. CLEARING OF WRECKS.
- Section 19. LIABILITY, except that the additional provisions of Section 9 hereof shall apply during the Transition Period.
- Section 20. INVESTIGATION.
- Section 21. INSURANCE, except to the extent said CFOMA Section 21 is inconsistent or conflicts with Section 9 hereof, in which event, said Section 9 shall have control over the inconsistent or conflicting provisions.
- Section 22. FORCE MAJEURE.
- Section 23. EXTENSION, WAIVER AND AMENDMENT.
- Section 24. NOTICES.
- Section 25. GOVERNING LAW.
- Section 26. COUNTERPARTS.

- Section 27. INTERPRETATION.
- Section 28. EXHIBITS.
- Section 29. ENTIRE AGREEMENT.
- Section 30. WAIVER.
- Section 31. EXPENSES.
- Section 32. FURTHER ASSURANCES.
- Section 33. TIME OF THE ESSENCE.
- Section 34. PERFORMANCE OF AGREEMENT.
- Section 35. PROHIBITION OF THIRD PARTY BENEFICIARIES.
- Section 36. TERM, except that the term of this Transition Agreement shall commence on the Effective Date.
- Section 37. SUCCESSORS AND ASSIGNS, except that neither party hereto may assign this Transition Agreement without also simultaneously assigning CFOMA to the same assignee.
- Section 38. CSXT'S RIGHT OF FIRST REFUSAL.
- Section 39. INCORPORATION OF RECITALS.

(b) Wherever in any above-identified Section of CFOMA there is a reference to "Commencement Date," such reference, for the purposes of this Agreement, shall mean the State Management Date.

(c) Wherever in any above-identified Section of CFOMA there is a reference to "this Agreement," or "herein," such reference, for the purposes of this Agreement, shall refer to this Transition Agreement.

(d) CSXT shall provide for the transfer to State of control and performance of dispatch and maintenance on the State Property as of State Management Date.

Section 2. Important Dates; Schedule; Milestones.

(a) The parties agree that the following milestones represent critical events that must be achieved on a timely basis in order for efficient Rail Freight Service, Commuter Rail Service, and Intercity Rail Passenger Service to be provided on the State Property:

<i>Milestone</i>	<i>Date to be Achieved</i>
(1) Funding of final design, permit applications and long lead items re S-Line improvements.	10/31/07
(2) State procurement of design-build-maintain contractors.	05/01/08
(3) CSXT target date for the Development Order for the Terminal Facility.	06/30/08
(4) Closing Date and State Management Date.	08/30/08
(5) State procurement of temporary dispatch services.	08/30/08
(6) Anticipated State procurement of permanent dispatch services.	10/01/09
(7) CSXT target date for the completion of the Terminal Facility.	06/30/10
(8) Commissioning and testing of Commuter Rail System.	06/30/10
(9) Revenue Operation Date.	06/30/10

(b) The parties agree that within thirty (30) days after the Effective Date, CSXT and State shall jointly develop a master schedule that delineates each and every item or activity of the design, regulatory compliance, engineering, construction, and completion of work (including timelines) that is critical for timely compliance with the above milestones, and shall review, verify, and/or modify said schedule no less than monthly to ensure that it remains current and accurate, provided, however, that neither party represents or warrants that any of the aforementioned milestones will be achieved, nor waives any condition to the effectiveness of the Contract or any Ancillary Agreement as set forth in the Contract or such Ancillary Agreement.

(c) Within one (1) month of the State Management Date, State shall have satisfied the

following:

- (1) Install "No Trespassing Signs" as appropriate.
- (2) Replace all padlocks on signal appliances.
- (3) Re-Stencil current CSXT signs to identify the Florida Department of Transportation as the responsible party to contact with the contact information.
- (4) Any other matter mutually agreed upon by the parties at least sixty (60) days prior to the State Management Date, that are necessary to ensure a safe and orderly transfer of management and operation of the State Property.

Section 3. Use of Corridor.

(a) During the Transition Period, and subject to the terms and conditions herein set forth, the State Property shall be used for the conduct of Rail Freight Service, Intercity Rail Passenger Service, and for the construction of the Commuter Rail System as set forth herein.

(b) It is understood by the parties hereto that, under its management, direction, and control, State shall, subject to the requirements of this Agreement, furnish CSXT adequate facilities including, without limitation, tracks and bridges, for (i) CSXT's provision of Rail Freight Service on the State Property, (ii) CSXT's performance of its obligations to Amtrak under the Amtrak-CSXT Agreement (or as provided by law), in at least substantially the same condition and in substantially the same manner as provided prior to the State Management Date; provided, however, it is further understood that Rail Freight Service and Intercity Rail Passenger Service may be subject to reasonable delays, as hereinafter provided, in order to accommodate construction and implementation of the Commuter Rail System.

Section 4. Operations and Management.

(a) From and after the State Management Date, Section 3 of CFOMA shall apply to all Railroad Operations on the State Property, except as provided below:

(1) The operating windows delineated in Subsection 3(i) of CFOMA may be modified during the Transition Period to accommodate the operation, maintenance, construction, and other activities that may occur on State Property as provided for in the Transition Period Operating and Management Plan agreed upon by the parties pursuant to Subsection 4(c) hereof.

(2) Notwithstanding Subsection 3(j) of CFOMA, State may cause Railroad Operations on the State Property to be interrupted or delayed during the Construction Period as provided herein.

(b) The parties understand and agree that in the course of State's procurement of contractors for the operation and management of the State Property and for the design, engineering, and construction of the Commuter Rail System, prospective bidders must be given access to the State Property. State shall coordinate and be responsible for such access, and shall not allow any access except pursuant to written instructions contained in the contract procurement documents. Prior to the State Management Date such access shall be subject to approval by CSXT, and after the State Management Date, State shall approve such access in accordance with CFOMA.

(c) CSXT and State have agreed to the following (hereinafter the "Transition Period Operating and Management Plan"):

(1) Upon Closing, CSXT will create the Central Florida Dispatcher Desk, which is a new

dispatcher desk for the territory corresponding to the entire 61.5 miles of the State Property:

- (i). Northern limits, MP 749.7 of the State Property,
- (ii). Southern limits, MP 814.1 of the State Property.

(2) At the north end of State Property, the four interlocked signals at CP South De Land shall be owned and maintained by State. Prior to State assuming dispatch, CP South De Land crossover shall be controlled by CSXT's AA Desk. To route a train onto the State Property, the CSXT AA Desk dispatcher will move the crossover to the required position, then, one of the two southbound signals will be initially requested by the CSXT AA Desk dispatcher. The Central Florida Dispatcher Desk will see a computer screen indication that the signal had been requested but not yet cleared. The Central Florida Dispatcher Desk will then request the same signal and, if field conditions permit, the signal will be displayed and the train will have authority to enter the State Property.

To route a train from the State Property to the CSXT Property, the Central Florida Dispatcher Desk will coordinate with the CSXT AA Desk dispatcher to ensure that the crossover is in the required position, then, one of the two northbound signals will be initially requested by the Central Florida Dispatcher Desk. CSXT's AA Desk dispatcher will see an indication that the signal has been requested but not yet cleared. The CSXT AA Desk dispatcher will then request the same signal and, if field conditions permit, the signal will be displayed and the train will have authority to enter the CSXT Property. The two dispatchers will communicate via a dedicated phone line.

(3) Prior to Closing, CSXT shall retire the existing "back-to-back" automatic

(uncontrolled) signals at MP 813.1 and install new “back to back” interlocking (“controlled”) signals at MP 814.1 or as close as practicable to the limits of the State Property. These two signals shall be owned and maintained by State. The northbound signal shall be controlled by the Central Florida Dispatcher Desk. The southbound signal shall be controlled by CSXT’s AA Desk.

(4) During the Transition Period, State-funded changes to the existing wayside signaling/interlockings will be limited. If the parties mutually agree, there may be one or more wayside signaling/interlocking field changes, with associated database changes to the US&S system. All field work on the State Property associated with signaling/interlocking will be completed by State contractors. All field work on CSXT Property will be performed by CSXT forces at State’s cost and expense, unless State has obtained CSXT’s consent to use State contractors to perform the work. The estimated costs of establishing the Central Florida Dispatcher Desk, including field and dispatch center modifications at CP South Deland and in the establishment of new back-to-back interlocking controlled signals at MP 814.1 as contemplated herein are set forth below and shall be shared equally by each of CSXT and State:

<u>Item</u>	<u>Estimated Cost</u>
Field Signal Changes	\$812,000.00
US&S Software Changes	\$200,000.00
CSXT Mainframe Changes	\$250,000.00
US&S Console License and Hardware	\$100,000.00
Communications	\$ 18,000.00

Facility Changes	\$ 7,500.00
------------------	-------------

(5) Dispatching of all Railroad Operations on State Property shall be in accordance with the Dispatching Services Agreement between the parties, a copy of which is attached hereto as Appendix C.

(6) CSXT and State agree that during the Construction Period each shall make every reasonable effort to minimize interference with the operations and activities of the other.

(7) State shall be responsible for flagging during the Construction Period. The parties shall establish reasonable Curfews to facilitate and accommodate the construction in accordance with the following:

(i) daily Curfews (each a "Daily Curfew"), providing a continuous four (4) to six (6) hours of contractor track time within the daylight time period on all weekdays and weekends (generally from 7 a.m. (0700 hours) until 1 p.m. (1300 hours).

(ii) Curfews will allow the passage of daily Amtrak trains.

(iii) There shall be no more than three (3) Operating Rule 707 work zones within the Corridor at any one time. The maximum length of an Operating Rule 707 work zone shall be seven (7) miles using an Employee in Charge for each Operating Rule 707 work zone.

(iv) Up to thirty (30) extended Curfews (each an "Extended Curfew"), ranging from a 12-hour up to a 54-hour duration (with track outages typically within period from 9:00 p.m. (2100 hours) Friday to 3:00 a.m. (0300 hours) Monday) of contractor track time, to be mutually agreed in accordance with the procedures set

forth in Paragraph 4(c)(9).

(v) Notwithstanding the foregoing, the Curfews and Operating Rule 707 work zones described herein shall not apply to CSXT train operations occurring in areas where State's Design/Build Contractor is not operating.

(vi) The track shall be deemed returned to CSXT by State's Design/Build Contractor when the track is restored and the signal system operational to allow CSXT trains to proceed on signal indication.

(8) State shall provide CSXT, FCEN, and Amtrak at least sixty (60) days notice of Curfews and Signal Suspensions. If Amtrak by separate agreement requires more time for the notice, State shall provide the notice as required by that separate agreement. The notice of Curfew shall include:

- (i) Identification of the section of track that is to be out of service.
- (ii) Description of the work to be completed.
- (iii) An explanation why the work requires a Curfew.
- (iv) The duration of the Curfew.
- (v) The date and time the Curfew will commence.

(9) All Curfews, Signal Suspensions, and Operating Rule 707 work zones noticed pursuant to Paragraph 4(c)(8) shall be reviewed and confirmed during work plan coordination meetings which will occur between State, CSXT, and State's Design/Build Contractor every thirty (30) days. During these work plan coordination meetings, State or its Design/Build Contractor shall provide detailed activity-by-activity construction schedules, including required outages (defined both in terms of geographic coverage and

duration) for each work activity. Any failure of the parties to reach mutual understanding and agreement during a work plan coordination meeting shall be resolved in accordance with Section 8 hereof or Section 17 of CFOMA.

(10) During the Transition Period, State shall adopt CSXT's Operating Rules and Roadway Safety Rules and may, with the approval of CSXT, supplement such Rules with rules specific to the State Property. The Central Florida Commuter Rail Transit System Flagging Criteria and Orange Fence Policy, set forth in Appendix E to this Agreement, shall be applicable to the State Property during the Transition Period, subject to the ongoing approval of the FRA. After the Commencement Date, State may develop railway operating and safety rules (emergency response, incident report procedures, etc.). CSXT hereby gives State permission to use and copy its Operating Rules and Roadway Safety Rules that have been applicable to the State Property, and to incorporate them into State's operating and safety rules. CSXT shall provide a royalty-free license to State and its contractors, for use solely and exclusively on the State Property, allowing State and its contractors to use the CSXT Operating Rules and Roadway Safety Rules with respect to operations on the State Property, as well as printed/electronic training materials and appropriate qualifying examinations for Train & Engine crews, Dispatchers, Field Maintenance Supervisors and Field Maintenance Workers. After the Commencement Date, State may modify such rules to have specific application to the State Property.

(11) CSXT and State have agreed to the Orientation Services Agreement, a copy of which is attached hereto as Appendix D.

(d) CSXT freight trains shall not exceed CSXT published clearance dimensions listed in the

“Railway Line Clearance Manual” over the State Property, without the prior written approval of State.

Section 5. Compensation.

- (a) During the Transition Period, CSXT shall compensate State as follows:
- (1) Commencing on the Revenue Operation Date, CSXT shall pay to State the Fixed Fee as described in Paragraph 2(a)(i) of CFOMA.
 - (2) During the Transition Period only, when the State Property will be used by CSXT for Rail Freight Service, by FCEN (pursuant to FCEN’s separate agreements with State and with CSXT as described below) and/or by Amtrak for Intercity Rail Passenger Service pursuant to the Amtrak Agreement, CSXT shall pay a share of the actual costs and expenses incurred by State to operate and maintain the State Property, exclusive of the cost of dispatching the State Property, which share shall be the difference between (i) the actual costs and expenses so incurred by State, and (ii) the sum of (x) the share of funds paid by Amtrak to CSXT for use of the State Property that are passed through to the State by CSXT and (y) any funds received by State from FCEN for use of the State Property.
 - (3) On the Fee Commencement Date, the compensation formula established in Section 5(a), Paragraph 2 of this Agreement shall no longer apply and CSXT shall commence paying the Variable Fee described in Paragraph 2(a)(ii) of CFOMA. The Fee Commencement Date shall be the date agreed in writing by the parties as the date on which the Terminal Facility is complete and in operation so that the trains identified in Section 7 have been diverted to the S-Line. From and after the Fee Commencement

Date, CSXT shall pay the Usage Fee in accordance with CFOMA.

- (b) As soon as practicable after the Effective Date, and at least ninety (90) days prior to the anticipated State Management Date, State and CSXT shall establish a mutually agreed annual operation and maintenance budget (which may be adjusted to coincide with the State Fiscal Year) that shall include all projected costs and expenses for operation and maintenance of the State Property at FRA Class 4 status for the year, exclusive of the cost of dispatching the State Property.
- (c) On or before the State Management Date, CSXT shall prepay to State one-twelfth (1/12th) of the annual budget amount, and shall transmit such prepayment monthly thereafter.
- (d) State shall maintain accounts for the recording of all costs and expenses incurred by State for operation and maintenance on the State Property. All such costs and expenses shall be incurred and paid by State, and, on a quarterly basis, within forty-five (45) days after the end of the quarter, State shall furnish a report to CSXT of the total amount so incurred and paid, exclusive of the cost of dispatching the State Property. On a quarterly basis, within forty-five (45) days after the end of the quarter, the actual expenditures shall be reconciled with the amounts advanced by CSXT, and the future payments adjusted accordingly. If the actual expenditures were less than the total amount paid by CSXT, then the future payments by CSXT shall be reduced by the difference, and if the actual expenditures exceeded the total amount paid by CSXT, then the future payments by CSXT shall be increased by the difference.
- (e) During the Transition Period, State shall make available for CSXT's inspection at the State's offices all records pertaining to the operation and maintenance by State on the State Property.

(f) If during the Construction Period, CSXT has the need to provide Rail Freight Service to a customer, but a Curfew will prevent or unreasonably delay the provision of such service, but such service could be accommodated by CSXT using the S-Line at an additional cost, State shall reimburse CSXT for the incremental cost to CSXT of providing the service using the S-Line, provided that CSXT demonstrates in writing the need for such service, that the use of the S-Line was a commercially reasonable alternative to provide the service in a timely manner, and CSXT actually used the S-Line to provide the service.

(g) Place of Payments: All payments to State under this Agreement shall be made payable to "Florida Department of Transportation," and shall be paid at FDOT, OOC - Cashier's Office, 605 Suwannee Street, MS 42B, Tallahassee, FL 32399-0450.

Section 6. Procurement; Design, Engineering; Construction.

(a) State shall be responsible for the design, engineering, and construction of the Commuter Rail System based on Federal, State, and local governmental requirements. The Commuter Rail System is proposed to be built in two phases. Phase I would extend approximately 32.54 miles from the Fort Florida Road station (DeBary) through Seminole County into Orange County through downtown Orlando to the Sand Lake Road station, including the maintenance facility and currently planned stations at DeBary/Fort Florida Road, Sanford, Lake Mary, Longwood, Altamonte Springs, Maitland, Winter Park/Park Avenue, Florida Hospital, LYNX Central, Church Street, Orlando Amtrak/ORMC, and Sand Lake Road. Phase II will consist of (1) a 17.46-mile segment of the Corridor (between Orange County and Poinciana), including stations at Meadow Woods, Osceola Parkway, Kissimmee Amtrak and Poinciana Industrial Park; (2) an

11-mile segment of the Corridor (between Deland and DeBary), including a station at Deland Amtrak; and (3) approximately 0.54 miles of staging areas at the northern and southern ends of the Corridor. State will use its best efforts to complete Phase I by December 31, 2010, and Phase II by December 31, 2013.

(b) For Phase I and Phase II of the Commuter Rail System, State plans to enter into a guaranteed maximum price design-build contract or other contract that establishes a firm fixed price for the work.

(c) State shall provide CSXT with a complete set of preliminary engineering drawings and design-build or other bid solicitation documents (including the design criteria and material specifications) on or before November 5, 2007. CSXT shall respond with written comments on or before November 28, 2007. Because of the urgent nature of obtaining decisions in relation to these documents, the time periods in Subsection 8(i) of CFOMA are not to be applicable to CSXT's review and comment on the preliminary engineering documents. The preliminary engineering documents, and any actual construction on the State Property, shall be subject to CSXT approval with respect to grades, degree of curvature, clearances, and braking distances.

(d) If CSXT desires State to include in its design and engineering documents for the construction of any improvements for the benefit of CSXT, CSXT shall submit a written request together with the design and engineering plans therefor to State. State shall, in its sole discretion, determine whether to accept such request and have State's contractor perform the work. All costs for such work shall be borne by CSXT.

(e) Each State contract that requires access to the State Property shall set forth all safety requirements as defined in the design-build solicitation documents, including, without limitation,

clear working limits adjacent to live tracks.

(f) During the Construction Period, State shall provide periodic reports to CSXT on the progress of construction and any changes that may occur. Provided (i) any such changes are immaterial, (ii) State has complied with Subsection 6(c), and (iii) State has accommodated CSXT's comments on the bid solicitation documents, CSXT shall not have any review authority or right to disapprove any design, engineering, or construction as long as same is consistent with CSXT's comments and CSXT's standards with respect to grades, degree of curvature, clearances, and braking distances after State has issued a request for proposals or other written solicitation to enter into a contract. Except as otherwise expressly approved in writing by CSXT, State agrees not to allow construction on the State Property that is inconsistent with CSXT's standards with respect to grades, degree of curvature, clearances, and braking distances.

(g) Upon completing construction of each phase, State will be responsible for the Commissioning, according to FTA and FRA standards and procedures. State shall conduct all inspections and tests necessary to demonstrate compliance with State and Federal standards, rules, and regulations, and upon successful completion of all required testing shall obtain all governmental approvals so that the Commuter Rail System can accept paying passengers for transportation.

Section 7. Diversion of Trains.

(a) Upon operation of the Terminal Facility, CSXT shall divert, as a minimum, the following trains (or substantially similar trains, however designated at the time) from the State Property to the S-Line, provided, however, that CSXT shall not be obligated to divert any train unless

funding for the projects described in the Master Projects Agreement has been made available, the Central Florida Freight Capacity Projects have been constructed, and all funds identified in the Joint Rail Project Agreements have been made available to CSXT or EVWR.

Through Trains Re-routed to "S" Line			
Intermodal	Q177	approximately Daily	SB
	Q178	approximately Daily	NB
	Q187	approximately Daily	SB
	Q188	approximately Daily	NB
Autoracks	Q255	Daily	SB
	Q258	Daily	NB
Unit Train – Coal*		Daily	SB
		Daily	NB
Bulk – Flyash*		Mon, Thur	SB
		Wed, Sat	NB

* Trains will be re-routed to the "S" Line, but will access State Property from the South.

(b) Upon diversion of the trains identified above, State shall, in accordance with Section 14.02 of the Contract, pay to CSXT in cash or its equivalent the \$25,000,000.00 withheld from the Purchase Price by State under said Section 14.02, with interest and without setoff of any kind except as expressly provided in this Transition Agreement.

(c) Upon construction and operation of appropriate substitute facilities and to the extent reasonably practicable at a mutually agreeable time, CSXT will re-route certain freight trains, including, but not limited to the coal and flyash trains identified above, to access the State Property from the South so as to facilitate State construction activities on the State Property during the Transition Period.

(d) For any new or additional scheduled CSXT freight train that is not provided for in the “CFCRT Freight Service Plan (Revision 5)” attached as Exhibit I to CFOMA, that CSXT desires to operate over all or a portion of the State Property during the Transition Period, CSXT shall provide reasonable written notice to the State prior to the operation of such train, provided, however, that such trains shall be operated in accordance with the provisions of this Agreement. The parties shall promptly meet and mutually determine how such train will be accommodated in a manner that will cause the least disruption to State's construction activities and other trains on the State Property.

(e) Within forty-five (45) days of the Effective Date of this Agreement, CSXT and State shall negotiate, execute and deliver a Joint Rail Project Agreement (Non-Federal) (hereinafter referred to as the “Roadway Project Agreement” or “RPA”) pursuant to which State will provide funding for the expenses related to the development of supporting roadway and infrastructure to and from the Terminal Facility. Payment for all activities under the RPA shall be made by State on a cost-reimbursable basis to CSXT, EVWR or any affiliate of either, for one hundred percent (100%) of actual costs to a maximum total amount of Nine Million Dollars (\$9,000,000.00). Costs in excess of this amount shall be borne by CSXT.

(f) State shall pay to CSXT at Closing, in cash or its equivalent, the sum of Twenty-Three

Million Dollars (\$23,000,000.00) in order to enable the cessation of certain freight related operations and facilities in Orlando, and the transfer of certain freight trains from the State Property to the S-Line.

Section 8. Communication and Decision Making.

(a) The parties recognize and acknowledge that efforts should always be made to prevent disputes through effective communications and timely well informed decision making. To this end, the parties agree to:

(1) Designate a single representative for purposes of coordinating activities between State and CSXT under this Agreement.

(2) Establish and maintain a Responsibility Matrix that sets forth the identification of positions and the individuals (Task Managers), as well as contact information for each person identified, for both CSXT and State who are responsible for day to day performance of those activities necessary to achieve the tasks, due diligence, and decisions leading to the successful completion of the transition necessary for the successful implementation of CFOMA and Freight Rail Service, Intercity Rail Passenger Service, and Commuter Rail Service on the State Property. The initial Responsibility Matrix shall be provided by the parties prior to the State Management Date. Either party to this Agreement may provide changes to the Responsibility Matrix by furnishing a notice of such change to the other party to this Agreement, in the same manner as provided for all other notices.

(3) Hold regular meetings of appropriate personnel. The parties shall schedule regular

meetings of the appropriate persons to monitor the status of work being performed; to discuss any issues that may arise; and, where the parties deem it appropriate to do so, to memorialize progress and the decisions of the individual parties. These meetings shall not be for the purpose of collegiate decision-making and as such are not subject to the Florida Open Meetings Law (Florida Constitution, Article 1, Section 24(b); Section 286.011, Fla. Stat.); and such meetings shall be conducted in a manner to avoid any violation of said law.

(4) Provide timely exchange of information. The parties acknowledge that timely requests for clarification and for information will help ensure a better understanding of issues and problems and lead to the elimination of doubts, uncertainties, and ambiguities, and will cooperate with one another with respect to the exchange of information that each of the parties, in its discretion, considers necessary to fulfill the requirements of this Agreement.

(b) The parties acknowledge that disagreements, if any, arising under this Section 9 concerning the designation of representatives, establishing and maintaining a matrix, holding meetings and exchanging information are not subject to binding arbitration.

Section 9. Liability and Insurance.

(a) The provisions of Section 21 of CFOMA relating to insurance shall be effective during the Transition Period, except that the limit of coverage for State's indemnity and liability insurance shall be Thirty Million Dollars (\$30,000,000.00). The self-insurance retention fund shall be Five Million Dollars (\$5,000,000.00).

(b) State shall require any contractor, subcontractor, or other third party who may have access on or to the State Property during the Transition Period to obtain and maintain for the duration of such access an insurance policy or policies with coverage that satisfies the conditions stated in Section 7 of the State published Standard Specifications for Road and Bridge Construction 2007. State shall require State's Design/Build Contractor to adhere to the conditions of Section 7 of the State published Standard Specifications for Road and Bridge Construction 2007. For purposes of this Agreement and said Section 7, the CSXT Easement shall be deemed to be a "railroad right-of-way."

(c) During the Transition Period, Section 19(d)(iii) of CFOMA shall not apply to train accidents between CSXT trains and State's Design/Build Contractor, in which case, liability shall be apportioned according to fault.

Section 10. Incentives and Disincentives.

(a) The parties acknowledge and agree that the full and timely performance with all requirements and obligations set forth in this Agreement and in the Transition Period Operating and Management Plan promulgated pursuant to Subsection 4(c) hereof will enhance efficiency, promote cooperation, and reduce both parties' costs and expenses. Therefore, the parties agree that the establishment of a system of incentives and disincentives to encourage continued and full compliance is in the best interest of both parties. Prior to the State Management Date, the parties shall institute a program of incentives and awards for exemplary performance and early achievement of work, as well as for outstanding performance and quality and creativity of work. Such program may include written commendations, achievement awards, and bonuses.

(b) In addition to the incentives, the parties agree that the following system of disincentives will discourage and prevent actions or inaction that can cause delay or increase a party's costs. The parties acknowledge and agree that actions or inaction as identified below may cause material adverse consequences to the other party, but that the extent of a monetary amount needed to compensate for such consequences is difficult to ascertain at this time, and therefore agree to the payment of the amount hereinafter designated as the compensatory fee, which fee shall constitute full and adequate compensation for the material adverse consequences that may occur.

(1) Throughout the Construction Period, on a daily basis, the parties shall reconcile the delays, if any, that satisfy the provisions of Subparagraph 10(b)(2) of this Transition Agreement (each a "Qualifying Delay"). Failure to provide daily notice of an alleged Qualifying Delay in accordance herewith shall constitute a waiver of any such delay for that day and shall extinguish that party's rights to claim a Qualifying Delay for that day.

(2) Qualifying Delays shall be determined as follows:

(i) There shall be two types of such Qualifying Delays in favor of State that shall be determined as follows: (A) Delays of more than thirty (30) minutes that result in work not being performed that had been scheduled to be performed during a Daily Curfew as described in Subparagraph 4(c)(7)(i) (such delays to be herein referred to as a "Daily Curfew Delay"), and (B) Delays of more than two (2) hours that result in the delay or cancellation of a work that had been scheduled to be performed during an Extended Curfew as described in Subparagraph 4(c)(6)(iv) (such delays to be herein referred to as an "Extended Curfew Delay"). However, for up to a cumulative total of five (5) times during the term of this

Agreement, and conditioned in each instance upon CSXT having provided State with notice at least seventy-two (72) hours in advance of the scheduled start of an Extended Curfew that the Extended Curfew will be cancelled and rescheduled, CSXT may cancel such Extended Curfew without such being treated as an Extended Curfew Delay as defined in this Section 10. A canceled Extended Curfew shall be rescheduled upon mutual agreement of the parties.

(ii) A Daily Curfew Delay in favor of CSXT shall occur when State or its Design/Build Contractor exceeds an authorized Daily Curfew by more than thirty (30) minutes of its scheduled end time or State or its Design/Build Contractor fails to clear for a CSXT freight train to pass through 707 limits within thirty (30) minutes of notification. An Extended Curfew Delay in favor of CSXT shall occur when State or its Design/Build Contractor exceeds an Extended Curfew by more than two (2) hours. However, for up to a cumulative total of five (5) times during the term of this Agreement, and conditioned in each instance upon State having provided CSXT with notice at least seventy-two (72) hours in advance of the scheduled start of an Extended Curfew that the Extended Curfew will be cancelled and rescheduled, State may cancel such Extended Curfew without such being treated as an Extended Curfew Delay as defined in this Section 10. A cancelled Extended Curfew shall be rescheduled upon mutual agreement of the parties.

(iii) The duration of a Qualifying Delay related to a Daily Curfew Delay shall not include the first thirty (30) minutes of delay and the duration of a Qualifying

Delay related to an Extended Curfew Delay shall not include the first two (2) hours of delay.

(iv) Delays resulting from Force Majeure, or events caused by the action or inaction of third parties other than the agents or contractor's of the parties, respectively, shall not be counted in determining Qualifying Delays.

(3) The consequences for each Daily Curfew Delay shall be: (i) If the parties agree, for the same day that work is delayed because of a Daily Curfew Delay, that the Daily Curfew can be and is extended on an hour for hour basis to allow for the scheduled work to be performed, then such delay shall not be counted as a Qualifying Delay for purposes of the sum calculated pursuant to Subparagraph 10(b)(4); (ii) If the Daily Curfew time cannot be extended, then the delay shall be counted as a Qualifying Delay and added to the sum calculated pursuant to Paragraph 10(b)(4). At the conclusion of the Construction Period, the sum of the Daily Curfew Delays experienced by either party shall be netted against the sum of the Daily Curfew Delays experienced by the other party to determine the net number of hours of Daily Curfew Delays experienced by State or CSXT. The party in whose favor the net Daily Curfew Delays rests shall be entitled to a Compensatory Fee equal to the product of the number of net Daily Curfew Delays in hours in that party's favor times Seven Hundred and Fifty dollars (\$750.00).

(4) The consequences for each Extended Curfew Delay shall be:

(i) At the conclusion of the Construction Period, the sum of Extended Curfew Delays experienced by either party shall be netted against the sum of Extended Curfew Delays experienced by the other party to determine the net hours of

Extended Curfew Delays experienced by State or CSXT. The party in whose favor the net Extended Curfew Delays rests shall be entitled to a Compensatory Fee equal to the product of the number of net Extended Curfew Delays in hours in that party's favor times One Thousand dollars (\$1,000.00).

- (5) Except as otherwise permitted under Subsection 3(i) of CFOMA, for each daily one-way train identified herein that is subject to mandatory diversion in accordance with this Agreement that CSXT fails to divert from the State Property to the S-Line, CSXT shall pay to State a Compensatory Fee of Two Thousand dollars (\$2,000.00) per train trip.
 - (6) State shall be responsible for and reimburse CSXT for any cost or expense imposed upon CSXT by Amtrak arising out of State's Design/Build Contractor's action or inaction resulting in delay to Amtrak trains.
 - (7) Other than the cost or expense referred to in Subparagraph 10(b)(5), the Compensatory Fee described herein shall be the limit of monetary damages claimed by either party for the delays described in this Section 10, provided, however, that nothing herein shall be construed to limit, modify, or amend the equitable remedies available to the parties under Section 16 of CFOMA or the rights of the parties under Section 19 of CFOMA.
 - (8) State shall engage an independent consultant that shall, among other things, facilitate the reporting, collection and recordkeeping of the data necessary to calculate the Qualifying Delays. The cost of said consultant shall be borne by State.
- (c) Upon the conclusion of the Construction Period and the final reconciliation of Daily Curfew Delays and Extended Curfew Delays, the Compensatory Fee shall be determined. If either party claims it is entitled to payment of a Compensatory Fee from the other party, it shall provide

the other party with written notice that clearly and with particularity identifies the net Qualifying Delays in its favor and the amount of the Compensatory Fee demanded. Within three (3) business days after receipt of notice filed pursuant to this Subsection 10(c), the receiving party shall provide the other party with a written response thereto:

(1) If the responding party does not contest the demand, it shall make arrangements to pay the Compensatory Fee within thirty (30) days.

(2) If the responding party disputes the demand, that party shall provide the other party with the notice required by Subsection 17(a)(1) of CFOMA, and the matter shall be resolved in accordance with Section 17 of CFOMA, including, if necessary, binding arbitration.

(d) Upon failure of CSXT to pay a Compensatory Fee finally determined under this Transition Agreement to be owed to State within thirty (30) days from when the Compensatory Fee is due, State may offset such amount from the \$25,000,000.00 withheld pursuant to Paragraph 7(a)(2) hereof. State's payment of any Compensatory Fee finally determined under this Transition Agreement to be owed to CSXT shall be subject to Section 215.422 Florida Statutes (2007).

Section 11. FCEN and Sidetracks.

(a) At least ninety (90) days prior to the State Management Date, the parties shall endeavor to meet with FCEN for the purpose of establishing an understanding on the following items that are to be addressed in an agreement between State and FCEN, which agreement shall be subject to the approval of CSXT to the extent it differs from any existing agreement between CSXT and

FCEN pertaining to the State Property as of the Effective Date.

(1) Such agreement shall include, as a minimum, FCEN's and State's rights and responsibilities in respect to each of the following items:

(i) Identification of the tracks and segments thereof that FCEN has the right to use along the CSXT Easement.

(ii) The procedures for entering and exiting the State Property.

(iii) FCEN's agreement to comply with all governmental rules and requirements.

(iv) Governing operating rules.

(v) The minimum insurance that FCEN shall maintain.

(vi) Process and standards for State's consent and CSXT's consent that would be needed for the use of any State tracks not identified pursuant to Paragraph (i) above.

(vii) Employee qualifications.

(viii) Allocation of liability.

(ix) Any other item the parties deem appropriate.

(x) Compensation by FCEN to State for use of State Property.

(2) Within thirty (30) days prior to the State Management Date, State and FCEN shall have entered into a written agreement clearly delineating each party's rights and responsibilities for use of the State Property. Said agreement shall contain an acknowledgment by FCEN that nothing in any agreement between State and FCEN shall constitute any waiver by CSXT of its exclusive right to provide Rail Freight Service on the State Property; alter, modify or amend any liability provision between CSXT and

State; or alter, modify or amend any agreement between CSXT and FCEN.

(3) State recognizes that FCEN's right to use the State Property for Rail Freight Service is by virtue of its agreement with CSXT to use the CSXT Easement for Rail Freight Service; that FCEN's provision of Rail Freight Service is pursuant to CSXT's rights and obligation as a common carrier regulated by the STB; and that State is not conferring on FCEN any common carrier rights. Nothing herein shall be construed to alter, modify or amend Section 19 of CFOMA.

(b) During the Transition Period, State and CSXT shall work cooperatively to manage, maintain, repair, upgrade, or remove Sidetracks:

(1) State and CSXT shall mutually agree for each Sidetrack the "precise cut points" as described in the definition of Sidetrack, which provides that State has no financial obligation beyond that point. As a guide for such agreement, said point shall be approximately 150 feet from the point of switch at the main track at the more distant of:

1) the derail, where applicable; 2) the interlocking signal, where applicable, or 3) the insulated joint on the track that defines the limits of the mainline track circuit.

(2) Maintenance of Sidetracks shall be in accordance with Subsection 4(a) of CFOMA.

(3) In order to remove unused Sidetracks, during the Construction Period, that have no foreseeable use in the future, CSXT and State agree to the following process for their identification and removal from State Property. Within ninety (90) days after the Effective Date, CSXT shall identify any Sidetrack located on the State Property that has not been used for the purpose of providing Rail Freight Service or Amtrak's provision of Intercity Rail Passenger Service for a period of thirty (30) consecutive months. State

shall review those Sidetracks identified by CSXT and determine which, if any, Sidetrack could be removed during the Construction Period, and provide to CSXT notice of any such Sidetrack. Within sixty (60) days after State provides the notice to CSXT that a Sidetrack could be removed, CSXT shall contact the shipper or last known user of such Sidetrack and determine whether use of such Sidetrack in the future for Rail Freight Service is reasonably foreseeable. If such use is not reasonably foreseeable, CSXT shall exercise all rights of cancellation under any contract or agreement pertaining to such Sidetrack and upon the date said contract or agreement is canceled, this Transition Agreement and CFOMA insofar as either may pertain to said Sidetrack, shall automatically terminate and be of no further force and effect, and State shall be free to require CSXT to remove such Sidetrack at State's cost and expense (or to obtain CSXT's consent to allow State to remove such Sidetrack), and the materials so removed shall be made available to CSXT or such local third party as CSXT shall designate by notice. If no such contract or agreement exists, then upon the date of State's aforesaid notice, this Transition Agreement or CFOMA insofar as either may pertain to said Sidetrack, shall automatically terminate and be of no further force and effect, and State shall be free to require CSXT to remove such Sidetrack at State's cost and expense (or obtain CSXT's consent to allow State to remove such Sidetrack), and the materials so removed shall be made available as provided above.

Section 12. Concurrent Agreements.

This Transition Agreement is being entered into in conjunction with CFOMA, and

these two agreements, shall be construed with reference to one another and neither agreement shall have precedence over the other except in the event of an irreconcilable conflict and in which case, this Transition Agreement shall govern until termination of this Transition Agreement. Neither agreement may be amended, modified, or supplemented except by an instrument or instruments in writing executed by both parties.

Section 13. Termination and Commencement of CFOMA.

CSXT and State shall agree in writing to a date certain that CFOMA shall commence, which date shall coincide with the Revenue Operation Date and shall be the Commencement Date as defined in CFOMA. Upon said date this Transition Agreement shall terminate. In the event that the parties fail to agree on such a date, the matter shall be resolved pursuant to the dispute resolution procedures of Section 17 of CFOMA, including, if necessary, binding arbitration.

[Signature page follows]


IN WITNESS WHEREOF, CSX TRANSPORTATION, INC. and STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, pursuant to due corporate and statutory authority, have caused their names to be signed hereto by officer(s) or official(s) hereunto duly authorized, duly attested, to be hereunto affixed as of the day and year first above written.

ATTEST



Lisa Mancini

CSX TRANSPORTATION, INC.

By: 

John M. Gibson, Jr.
Its Vice President, Operations,
Research and Planning

ATTEST



STATE OF FLORIDA DEPARTMENT
OF TRANSPORTATION

By: 

THE AFOREMENTIONED CONTRACT
HAS BEEN REVIEWED AND APPROVED
AS TO FORM

FUNDS ARE APPROVED AND
AVAILABLE

ADDENDUM # 1

RE: CONTRACT FOR SALE AND PURCHASE
Between State of Florida Department of Transportation and CSX
Transportation, Inc., Pertaining to the Central Florida Rail Corridor, a Line
of Railroad Between Deland, Florida and Poinciana, Florida and Related
Properties. Dated November 30, 2007

CENTRAL FLORIDA OPERATING AND MANAGEMENT
AGREEMENT

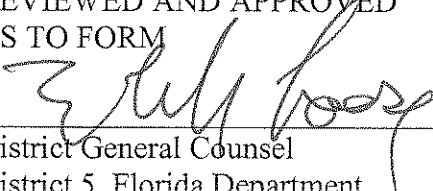
Between State of Florida Department of Transportation and CSX
Transportation, Inc. Pertaining to the Central Florida Rail Corridor, a Line
of Railroad Between Deland, Florida and Poinciana, Florida and Related
Properties. Dated November 30, 2007

TRANSITION AGREEMENT

Between State of Florida Department of Transportation and CSX
Transportation, Inc. Pertaining to the Central Florida Rail Corridor, a Line
of Railroad Between Deland, Florida and Poinciana, Florida and Related
Properties. Dated November 30, 2007

This to confirm that as of November 30, 2007, the date the above Agreements were executed by
CSX TRANSPORTATION, INC. (CSXT) and the STATE OF FLORIDA DEPARTMENT OF
TRANSPORTATION (State), that the undersigned had approved said agreements as stated
below:

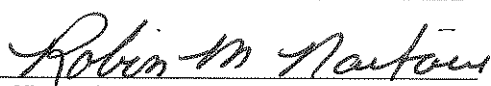
REVIEWED AND APPROVED
AS TO FORM



District General Counsel
District 5, Florida Department
of Transportation

Date: 1/29/08
Nunc pro tunc November 30, 2007

APPROVED AS TO FINANCIAL TERMS
AND FUNDS ARE PROGRAMMED



Office of the Comptroller
Florida Department of Transportation

Date: 1/29/08
Nunc pro tunc November 30, 2007

APPENDICES

- Appendix A Central Florida Rail Corridor Definitions
- Appendix B Definitions specific to the Transition Agreement
- Appendix C Dispatching Services Agreement
- Appendix D Orientation Services Agreement
- Appendix E Central Florida Commuter Rail Transit System Flagging Criteria and Orange Fence Policy

EXHIBITS

- Exhibit I. Map and Description of the S-Line.

Appendix A

Definitions Common to Central Florida Operating and Management Agreement,
Transition Agreement and Master Projects Agreement

“AAR” shall mean the Association of American Railroads.

“Amtrak” shall mean the National Railroad Passenger Corporation, its successors and assigns.

“Amtrak Agreement” or “Amtrak-CSXT Agreement” shall mean the Agreement dated June 1, 1999, and all supplements thereto, such agreement and supplements being between CSXT and Amtrak.

“Amtrak-State Agreement” shall mean an agreement, if any, entered into by Amtrak and State pertaining to Intercity Rail Passenger Service on the State Property.

“Ancillary Agreements” shall have the meaning given to it in Section 14.01 of the Contract.

“Central Florida Commuter Rail Transit System” or “Commuter Rail System” shall mean the Fixed-Guideway Transportation System developed, implemented, operated and maintained by State that will run from DeLand in the County of Volusia through Seminole County and Orange County (including the City of Orlando) to Poinciana in Osceola County on the State Property.

“CFOMA” shall mean that certain Central Florida Operating and Management Agreement dated as of November 30, 2007 by and between State and CSXT.

“Closing Date” shall mean the date upon which the conveyance of the State Property from CSXT to State is effectuated in accordance with the Contract.

“Commencement Date” shall be the date upon which the CFOMA shall become effective.

“Commuter Rail Service” shall mean the transportation of commuters and other passengers by rail provided by State or its assignee or designee.

“Contract” shall mean that certain Contract For Sale and Purchase dated as of November 30, 2007 by and between State and CSXT.

“CSXT” shall mean CSX Transportation, Inc., a Virginia corporation.

“CSXT Easement” shall have the meaning given to it in the Deed attached as Exhibit 4 of the Contract.

“CSXT Property” shall mean all of the rights-of-way and associated property, and all of the tracks, rails, ties, switches, crossings, bridges, trestles, culverts, buildings, structures, facilities, signals, crossing protection devices, communication lines, poles, radio masts and all other improvements or fixtures located on such rights-of-way and property that connect with the State Property and are owned, controlled or used by CSXT, being properties contiguous to the State Property that were not acquired by State under the Contract.

“Deed” shall mean the deed appearing as Exhibit 4 of the Contract.

“Effective Date” shall (in any respective agreement) mean the date the agreement becomes effective.

“EOT Unit” shall mean a caboose or other non-revenue rail car in a freight train for the use of the train’s crew during certain switching operations.

“Execution Date” shall mean (in each respective agreement) the date on which the agreement is executed by all parties.

“FCEN” shall mean the Florida Central Railroad Company, its successors and assigns, which as of the Execution Date operates over a portion of the State Property pursuant to certain agreements between CSXT and FCEN but shall, as of the Commencement Date, have entered into a separate agreement with State.

“Fee Commencement Date” shall mean the date that CSXT shall begin paying the Usage Fee as provided in Subsection 5(a)(3) of the Transition Agreement.

“Fixed Fee” shall have the meaning given to it in Subsection 2(a) of the CFOMA.

“Fixed-Guideway Transportation System” shall have the meaning given to it in Subsection 341.031(2), Florida Statutes.

“Force Majeure” shall have the meaning given to it in Section 22 of the CFOMA.

“FRA” shall mean the Federal Railroad Administration.

“FTA” shall mean the Federal Transit Administration.

“Incidental Use” shall have the meaning given to it in Subsection 19(a)(ii) of the CFOMA.

“Intercity Rail Passenger Service” shall mean the transportation of intercity passengers by rail provided by Amtrak, or as may be provided by others, on the State Property.

“Master Projects Agreement” shall mean that certain agreement to be entered into between State and CSXT.

“Non-Binding Consolidated Term Sheet” shall mean that certain Non-Binding Consolidated Term Sheet entered into by State and CSXT and dated as of August 2, 2006.

“Rail Commuter Passenger(s)” shall have the meaning given to it in Subsection 19(a)(i) of the CFOMA.

“Rail Freight Service” shall mean the transportation by rail of property and movable articles of every kind, character and description over the State Property, including but not limited to rail freight transportation service to current and future industries, customers and facilities located along the State Property, and supporting activities, over the State Property pursuant to the CSXT Easement and the CFOMA, but excluding detour movements of other railroads permitted by State pursuant to Subsection 3(m) of the CFOMA.

“Railroad Operations” shall have the meaning given to it in Subsection 1(a) of the CFOMA.

“Reserved Easement” shall have the meaning given to it in the Deed.

“Service Plan” shall mean the CFCRT Freight Service Plan (Revision 5) attached as Exhibit 1 to the CFOMA.

“Sidetrack” shall mean tracks on the State Property, owned by CSXT or a third party, approximately one hundred and fifty feet (150’) from or beyond the switch in the main line (with precise cut points to be mutually agreed to), for which State shall have no financial obligation and which are used exclusively by CSXT to provide Rail Freight Service to industries, customers and facilities located along the State Property.

“Sidetrack Agreement” shall mean any agreement between CSXT and a shipper, recipient, and/or other user of Rail Freight Services over a Sidetrack, that governs the ownership, construction, maintenance, repair, and use of a Sidetrack

“State” shall mean the State of Florida Department of Transportation.

“State Property” shall mean all of the rights-of-way and associated property and all of the tracks, rails, ties, switches, crossings, bridges, trestles, culverts, buildings, structures, facilities, signals, crossing protection devices, communication lines, poles, radio masts and all other improvements or fixtures thereto, being all of the properties acquired by State under the Contract (the real estate for which is described in Exhibit 1 to the Contract) or acquired by State and used by State for the placement of railroad tracks for Railroad Operations.

“STB” shall mean the federal Surface Transportation Board.

“Transition Agreement” shall mean that certain Transition Agreement dated as of November 30, 2007 by and between State and CSXT.

“UMLER” shall mean the Uniform Machine Language Equipment Register.

“Usage Fee” shall have the meaning given to it in Subsection 2(a) of the CFOMA.

“Variable Fee” shall have the meaning given to it in Subsection 2(a) of the CFOMA.

Appendix B

Transition Agreement Definitions

“A-Line” shall mean CSXT’s railroad from MP A 648.2 near Jacksonville to Auburndale, MP A 840.7.

“AA Desk” shall mean the CSXT dispatcher desk that has control over movements on CSXT’s A-Line, excluding the territory under control of the Central Florida Dispatcher Desk.

“Central Florida Commuter Rail Transit System Flagging Criteria and Orange Fence Policy” shall mean that policy described in Appendix E to the Transition Agreement.

“Central Florida Dispatcher Desk” shall mean the new dispatcher desk created by CSXT for the territory corresponding to the geographic limits described in Paragraph 4(c)(1) of the Transition Agreement.

“Commissioning” means the control, operation, management, and maintenance of the Commuter Rail System from completion of construction through all Federal and State governmental approvals up to the point in time that the Commuter Rail System is ready to transport paying passengers and be placed into a revenue generating mode by the State according to FTA and FRA guidelines.

“Construction Period” shall mean the time from the date State enters into a contract that includes the construction of or any other work related to the Commuter Rail System to and including the Revenue Operation Date.

“Curfew” shall mean a time period scheduled in advance when trains are not permitted to operate on an identified section of track, allowing inspection, maintenance, or construction work on track, signals, bridges, and other structures. “Curfew” shall include both Daily Curfews and Extended Curfews.

“Daily Curfew” shall have the meaning given to it in Paragraph 4(c)(7)(i) of the Transition

Agreement.

“Daily Curfew Delay” shall have the meaning given to it in Paragraph 10(b)(2)(i) of the Transition Agreement.

“Design/Build Contractor” shall mean the contractor who is awarded by State pursuant to Section 337.11(7)(a), Florida Statutes, the design-build contract to design, build, construct, maintain, and commission the Central Florida Commuter Rail Transit System.

“EVWR” shall mean Evansville Western Railway, Inc., a foreign corporation, registered in the State of Florida, whose principal address is 1500 Kentucky Ave, Paducah KY 42003.

“Extended Curfew” shall have the meaning given to it in Paragraph 4(c)(7)(iv) of the Transition Agreement.

“Extended Curfew Delay” shall have the meaning given to it in Paragraph 10(b)(2)(i) of the Transition Agreement.

“Joint Rail Project Agreements” shall mean, collectively, (i) that certain Joint Rail Project Agreement (Non-Federal) entered into by State and CSXT and dated as of November 3, 2006, as modified by the Supplemental Joint Rail Project Agreement (Non-Federal) Number 1, dated December 4, 2006, as further amended by the Supplemental Joint Rail Project Agreement (Non-Federal) Number 2, dated November 30, 2007, and (ii) that certain Roadway Project Agreement described in Section 7(e) of the Transition Agreement.

“Labor Protection” shall have the meaning given to it in the Dispatching Services Agreement.

“Labor Challenge” shall have the meaning given to it in the Dispatching Services Agreement.

“Operating Rules” shall, during the Transition Period, mean CSXT’s Operating Rules and Roadway Safety Rules as of October 2007, as may be revised during the Transition Period.

“Operating Rule 707” shall, during the Transition Period, mean CSXT’s Operating Rule 707

that governs the flow of rail traffic through work zones and sets forth specific requirements for flagging and other safety precautions.

“Qualifying Delay” shall have the meaning given to it in Paragraph 10(b)(1) of the Transition Agreement.

“Revenue Operation Date” shall mean the date that the Commuter Rail System, after having received all State and Federal approvals for operation, is placed in commuter service for fare paying passengers to ride.

“Signal Suspension” shall mean the construction-related removal from service of one or more signals protecting train movements in Traffic Control System or Automatic Block System territory. Such removal shall be for limited duration and shall normally allow for the passage of trains at reduced speed, subject to Operating Rules and consistent with FRA requirements.

“S-Line” shall mean CSXT’s railroad that includes the following: Callahan Subdivision from SM 0.0 to SM 20.0 (Baldwin to connection with Nahunta Subdivision); Jacksonville Terminal Subdivision from SP 635.0 to SP 652.5 (Jax to Baldwin); Wildwood Subdivision from S 652.8 to AR 836.7 (Baldwin to Vitis); Vitis Subdivision from AR 836.7 to AR 856.2; Vitis Subdivision (Lakeland Connection) from AR 856.2 to AR 856.5; and Carters Subdivision from A 851.2 to A 841.4, as depicted on Exhibit 1 of the Transition Agreement.

“State Management Date” shall coincide with the Closing Date.

“Terminal Facility” shall mean that certain rail terminal being developed by CSXT, EVWR or any affiliate, contractor or agent of either of CSXT or EVWR, between MP SX 828.8 and MP SX 834.5 for the purpose of inter-modal movement of freight.

“Transition Period” shall mean the period of time from the Closing Date to the Commencement Date.

“Transition Period Operating and Management Plan” shall have the meaning given to it in Subsection 4(c) of the Transition Agreement.

Appendix C

Agreement No.: _____
Financial Project I.D.: _____
F.E.I.D. No: _____
Procurement No.: _____
D.M.S. Catalog Class No.: _____

DISPATCHING SERVICES AGREEMENT

THIS DISPATCHING SERVICES AGREEMENT (this "Agreement"), made as of the ___ day of _____, 2007 (the "Execution Date"), by and between STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION whose address is Haydon Burns Building, 605 Suwannee Street, Tallahassee, FL 32399-0450 (hereinafter referred to as "State") and CSX TRANSPORTATION, INC., a Virginia corporation, whose address is 500 Water Street, Jacksonville, FL 32202 (hereinafter referred to as "CSXT"). Except as otherwise provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in accordance with Appendix A, "Central Florida Rail Corridor Definitions" and Appendix B, "Transition Agreement Definitions."

WHEREAS, CSXT and State have agreed that upon the State Management Date, CSXT shall transfer to State, and State shall implement and be responsible for the operation, maintenance and dispatch of all Railroad Operations on the State Property, with the further agreement that, except as expressly provided herein, CSXT shall perform all dispatching responsibilities during the Transition Period pursuant to a contract with State.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, the parties hereto, intending to be legally bound, UNDERSTAND AND AGREE AS FOLLOWS:

Section 1. Services.

CSXT shall provide all train dispatching over the State Property during the term of this Agreement, except as may occur pursuant to Section 7(a) of this Agreement.

Section 2. Term.

This Agreement shall begin upon the Closing Date and shall continue during the Transition Period unless the parties mutually agree upon an earlier termination date. Upon termination of this Agreement, the State's Operation and Maintenance Contractor shall perform all train dispatching over the State Property.

Section 3. Staffing.

(a) Upon Closing, CSXT will create a temporary new dispatch desk (territory) at Dufford Control Center in Jacksonville in accordance with the provisions outlined in Subsection 4(c) of the Transition Agreement. This desk shall be known as the "Central Florida Dispatcher Desk."

(b) CSXT shall not combine the Central Florida Dispatcher Desk with other dispatch desk territories at any time, except in the case of equipment failure or an emergency. Should CSXT combine the Central Florida Dispatcher Desk with any other dispatch desk territory, it shall so inform State by telephone, using the dedicated line identified in Section 4, below, within one (1) hour of the event, indicating the reason for the combination and the expected duration. Prior to the State Management Date, State shall provide CSXT in writing with the responsible person (or position) and telephone number that CSXT is to call as required by the preceding sentence. State may change such information by notice to CSXT in accordance with the Transition Agreement. Within forty-eight (48) hours after the conclusion of such event, CSXT shall submit a written report to the State that fully

explains the situation and the measures that CSXT will be undertaking to avoid any reoccurrence of the event.

(c) CSXT shall qualify six (6) dispatchers on the Central Florida Dispatcher Desk, in order to staff the Central Florida Dispatcher Desk at all times, twenty-four (24) hours per day, seven (7) days per week, weekends and holidays included. CSXT may use dispatchers who have been qualified on the Central Florida Dispatcher Desk on other assignments when not needed for coverage of the Central Florida Dispatcher Desk.

(d) Other than as set forth in Subsection 3(b) above, the Central Florida Dispatcher Desk shall be responsible for direction, supervision and control over the safe and efficient movement of all trains and on-track vehicles and protection of all other on-track activity on the State Property, including but not limited to movement of CSXT freight trains, Amtrak's passenger trains, and FCEN trains. The Central Florida Dispatcher Desk shall be governed by and subject to current operating and safety rules, procedures and regulatory standards of CSXT and FRA, including emergency procedures, as agreed to with State. The Central Florida Dispatcher Desk shall have responsibility for communications for movements prior to operating on State Property that restricts operations on the State Property.

(e) The Central Florida Dispatcher Desk shall be supervised at all times by qualified CSXT supervisors.

Section 4. Communications with State's Design/Build Contractor.

(a) CSXT shall install a dedicated direct telephone line for the purpose of allowing CSXT supervisors to communicate with the State's Design/Build Contractor's supervisors regarding track outages, Rule 707 provisions and other construction-related coordination of the operations on the State Property. A direct line shall be installed for communication between the Central Florida Dispatcher Desk and

CSXT Dispatcher Desk. The Design/Build Contractor shall not use existing CSXT radio channels for communication between its personnel and CSXT dispatchers at the Central Florida Dispatcher Desk. However, the existing CSXT communication system will be used for communication between the Design/Build Contractor's Employee in Charge and CSXT dispatchers at the Central Florida Dispatcher Desk. The Design/Build Contractor shall be governed by and subject to current operating and safety rules, procedures and regulatory standards of CSXT and FRA governing working on track, operating equipment, and working near equipment being operated, including emergency procedures, as agreed to with State.

(b) CSXT and State acknowledge that timely and effective communication between the Design/Build Contractor and the CSXT dispatchers at the Central Florida Dispatcher Desk will facilitate the timely completion of the capital improvements on the State Property. CSXT agrees to minimize the use of automatic train dispatching, interlocked signal fleeting and other dispatching strategies that require long cancellation times in order to provide a track outage or otherwise jeopardize timely response to Design/Build Contractor requests.

Section 5. Compensation.

(a) CSXT shall be paid a monthly fee for its contract dispatching of the State Property in the amount of Fifty-eight Thousand dollars (\$58,000.00) per month for each month of the Transition Period (pro rata for the number of days in the first or last month of the Transition Period). This fee shall be modified by the change in annual CPI on each annual anniversary date of this Agreement.

(b) CSXT shall be paid a one-time qualifying expense of Fifty Thousand Dollars (\$50,000.00). This advance payment has been authorized by the Chief Financial Officer of the State of Florida under Section 215.422(14), Florida Statutes.

(c) There shall be no payment or reimbursement for travel expenses under this Contract.

Section 6. Applicable Operating Rules.

CSXT shall dispatch the State Property in accordance with the CSXT Operating Rules as of October 2007, as may be modified or amended by CSXT.

Section 7. Transition to Operation and Maintenance Contractor.

(a) Upon termination of this Agreement, the State's Operation and Maintenance Contractor shall perform all train dispatching services over the State Property using a dispatch center and supervisory control system to be built by the State approximately six (6) months prior to the Commencement Date. This will provide time for the State's Design/Build Contractor to place in service all of the new/revised interlockings planned for the State Property. For a period of two (2) months prior to the transfer of dispatch from CSXT to State, State's dispatch center shall operate in "shadow mode," displaying all Central Florida track circuit occupancies, switch positions, signal status and the information described in Section 7(b) below. During the "shadow mode" period, it shall not be possible for State or its Operation and Maintenance Contractor to control any equipment under the control of the CSXT Central Florida Dispatcher Desk. State and CSXT shall mutually agree on a date (the "Cut Over Date") when State and its Operation and Maintenance Contractor will take control of dispatch over the State Property, subject to the possible reversion to CSXT described below. The Cut Over Date will be determined at least one (1) month prior to the planned Cut Over Date. Upon the Cut Over Date, State and its Operation and Maintenance Contractor shall assume dispatch responsibility over the State Property, provided, however, that CSXT shall maintain both staffing and all associated equipment (including hardware, software and communications equipment) for a period of seven (7) days (the "Cut

Over Period”) after the Cut Over Date, in case a return to CSXT control is required, and, except for the assumption of dispatch responsibility described above, this Transition Agreement shall remain in full force and effect until the expiration of the Cut Over Period. The Commencement Date shall not occur prior to the expiration of the Cut Over Period. Upon the expiration of the Cut Over Period, CSXT shall maintain all associated equipment (including hardware, software and communications equipment) but without staffing for a period of two (2) months, in case a return to CSXT control is requested by State, provided, however, (i) that State acknowledges that staffing for the Central Florida Dispatcher Desk after the Cut Over Period will not be immediately available, will require re-bidding of the jobs associated with the Central Florida Dispatcher Desk and will incur additional expense to be absorbed by State if State elects to return dispatching responsibility to CSXT, (ii) nothing herein shall require CSXT to accept such return of dispatching responsibility, and (iii) the parties agree that CSXT will not dispatch commuter trains. For the purpose of Section 5 of this Agreement, the Cut Over Period shall be considered part of the Transition Period but the two months after the Cut Over Period referred to above, during which CSXT will maintain the equipment only, shall not be considered part of the Transition Period.

(b) CSXT shall make available to the State real-time data transmission of track circuit occupancy of existing mainline and controlled siding (where applicable) trackage north and south of the State Property for a distance mutually-agreed by the parties, said distance to be a minimum of five (5) miles in each direction. If practicable, train ID’s associated with track circuit occupancy shall be provided in the real-time data transmission.

(c) State shall make available to CSXT real-time data transmission of track circuit occupancy of planned mainline trackage at the north and south ends of the Central Florida Rail Corridor for a distance mutually-agreed by the parties, said distance to be a minimum of five (5) miles in each

direction. If practicable, train ID's associated with track circuit occupancy shall be provided in the real-time data transmission.

Section 8: Labor Protection.

CSXT shall be responsible for its Labor Protection costs, if any, occasioned by the provision of services under this Agreement. As used herein, "Labor Protection" shall mean the costs, if any, incurred by CSXT as a result of its provision of the dispatching services described in this Agreement, which costs may be incurred pursuant to the provision of a collective bargaining agreement, bargained by CSXT as a result of this Agreement or pursuant to rule, decision or final order of any governmental agency having jurisdiction thereover. Notwithstanding the above, the parties agree that each shall be solely responsible for their respective risks and costs (including defense costs and liability) associated with any challenge to the transfer of dispatching to the State's Operations and Maintenance Contractor pursuant to law, a collective bargaining agreement or otherwise ("Labor Challenge"). State and CSXT acknowledge a policy of non-interference with respect to labor protective decisions by employees.

Section 9. Liability.

Notwithstanding any other provision of this Agreement to the contrary, Section 19 and Section 21 of CFOMA shall govern the liability of the parties hereto whenever any loss of, or damage to or destruction of any property whatsoever or injury to or death of any person or persons whomsoever occurs under this Agreement, with the same force and effect as if set forth herein in full.

Section 10. Standard Provisions.

1. Before making any additions or deletions to the services described herein, and before undertaking any changes or revisions to such services, the parties shall negotiate any necessary cost changes and shall enter into an amendment covering such services and compensation. Reference herein to this Agreement shall include any amendment(s).
2. CSXT agrees to provide project schedule progress reports in a format acceptable to State and at intervals established by State. State shall be entitled at all times to be advised, at its request, as to the status of services being done by CSXT and of the details thereof. Coordination shall be maintained by CSXT with representatives of State, or agencies of State interested in the project on behalf of State. Either party to this Agreement may request and be granted a conference.
3. Except for the approved advance payment, payments by State under this Agreement shall be made after satisfactory performance of the services and within sixty (60) days of receipt by State of a monthly invoice. Invoices for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof.
4. State has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is

received or the services are received. If a payment is not available within forty (40) days, a separate interest penalty as established pursuant to Section 215.422, Florida Statutes, shall be due and payable, in addition to the invoice amount, to CSXT. Interest penalties of less than one (1) dollar shall not be enforced unless CSXT requests payment. Invoices which have to be returned to CSXT because of CSXT preparation errors shall result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to State.

5. The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system. Pursuant to Section 287.057(23), Florida Statutes, all payments shall be assessed a transaction fee of one percent (1%), which CSXT shall pay to State. For payments within the State accounting system (FLAIR or its successor), the transaction fee shall, when possible, be automatically deducted from payments to CSXT. If automatic deduction is not possible, CSXT shall pay the transaction fee pursuant to Rule 60A-1.031(2), Florida Administrative Code. By submission of these reports and corresponding payments, CSXT certifies their correctness. All such reports and payments shall be subject to audit by State or its designee. CSXT shall receive a credit for any transaction fee paid by CSXT for the purchase of any item(s) if such item(s) are returned to CSXT through no fault, act, or omission of CSXT. Notwithstanding the foregoing, a transaction fee is non-refundable when an item is requested or returned, or declined, due to CSXT's failure to perform or comply with specifications or requirements of the Agreement.

6. A vendor ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment(s) from a state agency. The vendor ombudsman may be contacted at (850) 410-9724 or by calling the Customer Hotline, 1-800-342-2762.

7. Records of costs incurred under terms of this Agreement shall be maintained and made available upon request to State at all times during the period of this Agreement and for three (3) years after final payment for the work pursuant to this Agreement is made. Copies of these documents and records shall be furnished to State upon request. Records of costs incurred shall include CSXT's general accounting records and the project records, together with supporting documents and records of CSXT and all subcontractors performing work on the project, and all other records of CSXT and subcontractors reasonably required by State for a proper audit of project costs.

8. The Department of Transportation (the "Department"), during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years. Accordingly, the Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature.

9. CSXT shall carry and keep in force the insurance to the extent required by Section 21(f) of CFOMA.

10. Section 15(b) of CFOMA concerning public access to documents shall apply to all documents made or received by CSXT on behalf of State under this Agreement with the same force and effect as if set forth herein in full.

11. CSXT shall comply with all federal, state, and local laws and ordinances applicable to the work or payment for work thereof, and will not discriminate on the grounds of race, color, religion, sex, national origin, age, or disability in the performance of work under this Agreement.

12. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids, proposals, or replies on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of thirty-six (36) months following the date being placed on the convicted vendor list.

13. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids, proposals, or replies on leases of real property to a public entity, may not be awarded, or perform work as a contractor, supplier, subcontractor, or consultant under a contract with a public entity, and may not transact business with any public entity.

14. The Department shall consider the employment by CSXT of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act.

15. Pursuant to Section 216.347, Florida Statutes, CSXT may not expend any State funds for the purpose of lobbying the Legislature, the judicial branch, or a state agency.

16. CSXT shall maintain an adequate and competent staff so as to enable CSXT to timely perform under this Agreement and may associate with it such subcontractors, for the purpose of its services hereunder, without additional cost to State, other than those costs within the limits and terms of this Agreement. CSXT is fully responsible for satisfactory completion of all subcontracted work. CSXT, however, shall not sublet, assign, or transfer any work under this Agreement to other than subcontractors specified in the proposal, bid, and/or Agreement without the written consent of State.
17. CSXT and its employees, agents, representatives, or subcontractors are not employees of the Department and are not entitled to the benefits of State of Florida employees. CSXT agrees to include this provision in all of its subcontracts under this Agreement.
18. All words used herein in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. All words used in any gender shall extend to and include all genders.
19. It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be illegal or in conflict with any law of the State of Florida, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.
20. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.
21. The dispute resolution and arbitration process of Section 17 of CFOMA is hereby incorporated into this Agreement.
22. Time is of the essence as to each and every obligation under this Agreement

23. The default and breach provisions of Section 16 of CFOMA are hereby incorporated into this Agreement. Venue for any legal proceedings under this Agreement shall be in Leon County, Florida.

[signature page follows]

IN WITNESS WHEREOF, CSX TRANSPORTATION, INC. and STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, pursuant to due corporate and statutory authority, have caused their names to be signed hereto by officer(s) or official(s) hereunto duly authorized, duly attested, to be hereunto affixed as of the day and year first above written.

ATTEST

CSX TRANSPORTATION, INC.

By: _____

ATTEST

STATE OF FLORIDA DEPARTMENT
OF TRANSPORTATION

By: _____

THE AFOREMENTIONED CONTRACT
HAS BEEN REVIEWED AND APPROVED
AS TO FORM

FUNDS ARE APPROVED AND
AVAILABLE

Appendix D

Agreement No.: _____
Financial Project I.D.: _____
F.E.I.D. No: _____
Procurement No.: _____
D.M.S. Catalog Class No.: _____

ORIENTATION SERVICES AGREEMENT

THIS ORIENTATION SERVICES AGREEMENT (this "Agreement"), made as of the _____ day of _____, 2007, by and between STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION whose address is Haydon Burns Building, 605 Suwannee Street, Tallahassee, FL 32399-0450 (hereinafter referred to as "State") and CSX TRANSPORTATION, INC., a Virginia corporation, whose address is 500 Water Street, Jacksonville, FL 32202 (hereinafter referred to as "CSXT"). Except as otherwise provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in accordance with Appendix A, "Central Florida Rail Corridor Definitions" and Appendix B, "Transition Agreement Definitions."

WHEREAS, Section 4(c)(11) of the Transition Agreement contemplates that CSXT will (1) provide orientation and training to State personnel and the Operation and Maintenance Contractor selected by State who will be involved in dispatching of the State Property after termination of the Dispatching Services Agreement; (2) provide orientation on rules and procedures to the management of the Operation and Maintenance Contractor and the Design/Build Contractor who will design, engineer and construct the Commuter Rail System; and (3) make available certain supervisors for a period of time as provided herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set

forth, the parties hereto, intending to be legally bound, UNDERSTAND AND AGREE AS FOLLOWS:

Section 1. Dispatcher Training.

(a) CSXT shall make available training using the US&S simulator as applied to the Central Florida Dispatcher Desk territory, including typical dispatching scenarios that include CSXT and Amtrak trains for the purpose of training personnel of the State and the State's Operations and Maintenance Contractor who will be involved with dispatching the State Property. The training shall take place at a mutually agreeable location and on a mutually agreeable schedule but concluding no later than thirty (30) days prior to the end of CSXT dispatch of the State Property pursuant to the Dispatching Services Agreement. CSXT shall be paid Four Hundred and Fifty dollars (\$450.00) per day per use of simulator. Simulator can accommodate up to twelve (12) students per day. The fee includes instructor, print-based materials, and job aides. The training duration shall not exceed 20 classroom days. The trainees shall consist of management and dispatcher personnel of State's Operation and Maintenance Contractor, with an estimated class size of eight (8) students.

(b) There shall be no payment or reimbursement for travel expenses for the services to be provided by CSXT pursuant to this Section.

Section 2. Operating Rules Training.

(a) CSXT shall provide orientation on Operating Rules to Trainers and Examiners of State and of the State's Design/Build Contractor, Operations and Maintenance Contractor, and such other contractors that State may retain. Training under this Section shall take place at a mutually agreeable location and in the field on the State Property as mutually agreed by CSXT and State. It is the intent of this training to provide the Trainers and Examiners of State and its contractors with the basis for

teaching the CSXT Operating Rules to contractor dispatcher, field maintenance and Train & Engine crews. It is not the intent of this training for CSXT to train or qualify the management team, dispatchers, field maintenance personnel or Train & Engine crews of the State's contractors in CSXT Operating Rules. CSXT agrees to provide a royalty-free license limited to application on the Central Florida Corridor for the use of print-based materials, job aides, on-line test tools and computer-based training.

(b) CSXT shall be paid the amount of Six Thousand dollars (\$6,000.00) for each class of up to sixteen (16) students per class. Orientation will include up to four (4) weeks classroom instruction and up to two (2) weeks field/hands-on work. The fee includes the instructor, print-based materials, and job aides, use of on-line test tools and computer-based training.

(c) There shall be no payment or reimbursement for travel expenses for the services to be provided by CSXT pursuant to this Section.

Section 3. Maintenance of Way Supervisors.

(a) CSXT shall make available the supervisory (non-represented) employees identified below for consultation and familiarization for a minimum of five (5) mutually agreeable work days within the first sixty (60) days after Closing for State and State's contractor personnel. Such CSXT supervisory personnel shall continue to work their normal work assignment times during this period.

(b) The CSXT supervisory personnel to be made available are:

(i) CSXT Roadmaster presently responsible for the majority of the State Property trackage limits,

(ii) CSXT Signal Manager responsible for the majority of the signals and interlockings within the limits of State Property,

(iii) CSXT Bridges Manager responsible for managing the inspection and maintenance of the bridges and culvert structures within State Property, and

(iv) CSXT Communications Manager responsible for the majority of the radio installations and communications within the limits of State Property.

(b) CSXT will be compensated at the rate of Three Hundred Sixty-five dollars (\$365.00) per person per position per day.

(c) There shall be no payment or reimbursement for travel expenses for the services to be provided by CSXT pursuant to this Section.

Section 4. Term.

This Agreement shall begin upon the Closing Date and shall continue until the Commencement Date.

Section 5. Liability.

Notwithstanding any other provision of this Agreement to the contrary, Section 19 and Section 21 of CFOMA shall govern the liability of the parties hereto whenever any loss of, or damage to or destruction of any property whatsoever or injury to or death of any person or persons whomsoever occurs under this Agreement, with the same force and effect as if set forth herein in full.

Section 6. Standard Provisions.

(a) Before making any additions or deletions to the services described herein, and before undertaking any changes or revisions to such services, the parties shall negotiate any necessary cost changes and shall enter into an amendment covering such services and compensation. Reference

herein to this Agreement shall include any amendment(s).

(b) CSXT agrees to provide project schedule progress reports in a format acceptable to State and at intervals established by State. State shall be entitled at all times to be advised, at its request, as to the status of services being done by CSXT and of the details thereof. Coordination shall be maintained by CSXT with representatives of State, or agencies of State interested in the project on behalf of State. Either party to this Agreement may request and be granted a conference.

(c) All payments by State under this Agreement shall be made shall be after satisfactory performance of the services and within sixty (60) days of receipt by State of a monthly invoice. Invoices for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof.

(d) State has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the services are received. If a payment is not available within forty (40) days, a separate interest penalty as established pursuant to Section 215.422, Florida Statutes, shall be due and payable, in addition to the invoice amount, to CSXT. Interest penalties of less than one (1) dollar shall not be enforced unless CSXT requests payment. Invoices which have to be returned to CSXT because of CSXT preparation errors shall result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to State.

(e) The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system. Pursuant to Section 287.057(23), Florida Statutes, all payments shall be assessed a transaction fee of one percent (1%), which CSXT shall pay to State. For payments within the State accounting system (FLAIR or its successor), the transaction fee shall, when possible, be automatically deducted from payments to CSXT. If automatic deduction is not

possible, CSXT shall pay the transaction fee pursuant to Rule 60A-1.031(2), Florida Administrative Code. By submission of these reports and corresponding payments, CSXT certifies their correctness. All such reports and payments shall be subject to audit by State or its designee. CSXT shall receive a credit for any transaction fee paid by CSXT for the purchase of any item(s) if such item(s) are returned to CSXT through no fault, act, or omission of CSXT. Notwithstanding the foregoing, a transaction fee is non-refundable when an item is requested or returned, or declined, due to CSXT's failure to perform or comply with specifications or requirements of the Agreement.

(f) A vendor ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment(s) from a state agency. The vendor ombudsman may be contacted at (850) 410-9724 or by calling the Customer Hotline, 1-800-342-2762.

(g) Records of costs incurred under terms of this Agreement shall be maintained and made available upon request to State at all times during the period of this Agreement and for three (3) years after final payment for the work pursuant to this Agreement is made. Copies of these documents and records shall be furnished to State upon request. Records of costs incurred shall include CSXT's general accounting records and the project records, together with supporting documents and records of CSXT and all subcontractors performing work on the project, and all other records of CSXT and subcontractors reasonably required by State for a proper audit of project costs.

(h) The Department of Transportation (the "Department"), during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the

Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years. Accordingly, the Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature.

(i) CSXT shall carry and keep in force the insurance to the extent required by Section 21(f) of CFOMA.

(j) Section 15(b) of CFOMA concerning public access to documents shall apply to all documents made or received by CSXT on behalf of State under this Agreement with the same force and effect as if set forth herein in full.

(k) CSXT shall comply with all federal, state, and local laws and ordinances applicable to the work or payment for work thereof, and will not discriminate on the grounds of race, color, religion, sex, national origin, age, or disability in the performance of work under this Agreement.

(l) A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids, proposals, or replies on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of thirty-six (36) months following the date being placed on the convicted vendor list.

(m) An entity or affiliate who has been placed on the discriminatory vendor list may not submit a

bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids, proposals, or replies on leases of real property to a public entity, may not be awarded, or perform work as a contractor, supplier, subcontractor, or consultant under a contract with a public entity, and may not transact business with any public entity.

(n) The Department shall consider the employment by CSXT of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act.

(o) Pursuant to Section 216.347, Florida Statutes, CSXT may not expend any State funds for the purpose of lobbying the Legislature, the judicial branch, or a state agency.

(p) CSXT shall maintain an adequate and competent staff so as to enable CSXT to timely perform under this Agreement and may associate with it such subcontractors, for the purpose of its services hereunder, without additional cost to State, other than those costs within the limits and terms of this Agreement. CSXT is fully responsible for satisfactory completion of all subcontracted work. CSXT, however, shall not sublet, assign, or transfer any work under this Agreement to other than subcontractors specified in the proposal, bid, and/or Agreement without the written consent of State.

(q) CSXT and its employees, agents, representatives, or subcontractors are not employees of the Department and are not entitled to the benefits of State of Florida employees. CSXT agrees to include this provision in all of its subcontracts under this Agreement.

(r) All words used herein in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

(s) It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be illegal or in conflict with any law of the State of Florida, the

validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

(t) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

(u) The dispute resolution and arbitration process of Section 17 of CFOMA is hereby incorporated into this Agreement.

(v) Time is of the essence as to each and every obligation under this Agreement

(w) The default and breach provisions of Section 16 of CFOMA are hereby incorporated into this Agreement. Venue for any legal proceedings under this Agreement shall be in Leon County, Florida.

[Signature page follows]

IN WITNESS WHEREOF, CSX TRANSPORTATION, INC. and STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, pursuant to due corporate and statutory authority, have caused their names to be signed hereto by officer(s) or official(s) hereunto duly authorized, duly attested, to be hereunto affixed as of the day and year first above written.

ATTEST

CSX TRANSPORTATION, INC.

By: _____

ATTEST

STATE OF FLORIDA DEPARTMENT
OF TRANSPORTATION

By: _____

THE AFOREMENTIONED CONTRACT
HAS BEEN REVIEWED AND APPROVED
AS TO FORM

FUNDS ARE APPROVED AND
AVAILABLE

Appendix E

Central Florida Commuter Rail Transit System Flagging Criteria and Orange Fence Policy

1. Due to concerns for the forthcoming, intense proposed construction on the State Property, the following flagging policies and rules will apply under the following conditions:
2. Provided that orange construction fence is erected at a minimum of 5' from the outside rail, the trains will contact the Employee in charge (EIC) for permission through the respected 707 limits.
3. EIC will contact and announce the train's approach to the POCs. Contractor appointed Points of Contact (POCs) will be distributed throughout the 707 limits in which the EIC is protecting.
4. POCs will alert all persons and equipment to move a minimum of 7' away from the rail. All cranes and equipment with the potential of fouling the track such as but not limited to excavators must be locked down or shut down. **No construction or crane activity will be allowed toward the rail.**
5. Work from the 7' mark from the outside rail will continue undisturbed throughout the 707 with the POCs acknowledging the passing of the train with hand signals. At anytime that the 5' envelope is encroached, the party must have positive protection from the EIC regardless of the circumstances per the Railway Worker Protection (RWP) rules.
6. This policy of continued work will only be allowed provided that the fence is erected and serving its intended function. It will be the POCs responsibility to inspect and relay to the EIC that the fence is erect and serving its intended purpose to act as a barrier to prevent men and equipment from invading the RWP policy before allowing work to proceed or continue. In the event that the fence is not erected or if an activity calls for invading the 5' envelope, then the EIC must be contacted for protection per the RWP policy. If a fence is not present or functional, then the standard policy of contacting and being accounted for by the flagmen will stand before the release of a train is permitted.
7. Bridge Policy:
 - a. A 30 MPH slow order will be observed whenever a crane is in use.
 - b. All crane booms will be either parallel or away from the track before a train is allowed to pass the location.
 - c. All suspended loads will be secured or lowered to the ground before passing of a train.
8. This Appendix E supplements CSXT's Operating Rules and Roadway Safety Rules, which shall govern over any conflict or inconsistency between this Appendix E with said Rules. Terms herein shall have the same meaning as in said Rules.

Exhibit 1

Map and Description of the S-Line

4786193_v24

Exhibit 1

