Exhibit G. Revised Interlocal Agreement with the City of Maitland regarding the Central Florida Commuter Rail Transit System
REVISED INTERLOCAL AGREEMENT
between the
CITY of MAITLAND, FLORIDA
and
ORANGE COUNTY, FLORIDA
regarding the
CENTRAL FLORIDA COMMUTER RAIL TRANSIT SYSTEM

Approved by the City of Maitland
City Council

___________, 2007

Approved by the Orange County
Board of County Commissioners

July 19, 2007
Table of Contents:

Article 1  Recitals
Article 2  Definitions
Article 3  Representations
Article 4  City's Development and Operational Rights
Article 5  Financial Obligations
Section 5.1  County's Obligations
Section 5.2  City's Obligations
Section 5.3  Time and Method of Payments
Article 6  General Provisions
Section 6.1  Term
Section 6.2  Termination
Section 6.3  Enforcement; Remedies
Section 6.4  Master Interlocal Agreement
Section 6.5  Third Party Beneficiaries
Section 6.6  Notice
Section 6.7  Complete Agreement; Effect on Other Agreements; Interpretation and Construction; Captions; Counterparts
Section 6.8  Amendments and Modifications; Equal Treatment
Section 6.9  Covenant to Defend
Section 6.10  Conflict Resolution
Section 6.11  Binding Effect
Section 6.12  Governing Law; Changed Law; Venue
Section 6.13  Records; Documents and Instruments

Article 7  Sovereign Immunity

Article 8  Exhibits

Article 9  Effective Date
REVISED INTERLOCAL AGREEMENT 
between the 
CITY of MAITLAND and ORANGE COUNTY 
regarding the 
CENTRAL FLORIDA COMMUTER RAIL TRANSIT SYSTEM

This Revised Interlocal Agreement ("Agreement") is made by and between the City of Maitland, a municipality existing under the laws of the State of Florida (the "City"), and Orange County, Florida, a political subdivision and charter county of the State of Florida (the "County").

* * *

WHEREAS, the Florida Department of Transportation ("FDOT") is undertaking the development and implementation of the Central Florida Commuter Rail Transit System (the "CFCRT" or "Commuter Rail System") running through Orange County, including the City of Maitland; and

WHEREAS, the FDOT and CSX Transportation, Inc. ("CSXT") have entered into a Non-Binding Consolidated Term Sheet Contract of Sale, dated August 2, 2006, providing for the acquisition by FDOT from CSXT of the railroad corridor known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.554 miles, (the "Corridor") for the use of the Commuter Rail System; and

WHEREAS, FDOT and CSXT are currently negotiating a Central Florida Operating Management Agreement establishing operating windows for passenger rail and freight operations
within the Corridor and providing for use and maintenance of the Corridor; and

WHEREAS, the CFCRT will be located on the “A” rail line of CSX Transportation, Inc., which rail line runs through Volusia County, Seminole County, Orange County and Osceola County; and

WHEREAS, FDOT is in the process of making application to the Federal Transit Administration (“FTA”) and Congress for capital funds, commonly referred to as New Starts funding, to provide a portion of the funds necessary for the planning, design, right-of-way acquisition, construction, and operation of the proposed commuter rail service on the CFCRT; and

WHEREAS, Federal New Starts funding and other Federal funding will require a fifty percent (50%) match of Federal funds with State and local funds for capital costs, which will be shared among FDOT, Orange County, Osceola County, Seminole County, Volusia County and the City of Orlando pursuant to a Master Interlocal Agreement; and

WHEREAS, the proposed Master Interlocal Agreement, which includes the Interlocal Funding Agreement for the Acquisition and Construction of the Central Florida Commuter Rail System, the Interlocal Governance Agreement for the Creation of the Central Florida Commuter Rail Commission, and the Interlocal Operating Agreement for the Operation of the Central Florida Commuter Rail System, is further defined herein and is attached hereto as composite “Exhibit A”; and

WHEREAS, the County will pay a share of the total local match of Capital Costs, Local Operating Support Costs, and Fixed Guideway Bond Debt Service for the CFCRT; and

WHEREAS, in accordance with the Central Florida Commuter Rail Environmental Assessment and the Master Interlocal Agreement, several stations shall be located within Orange
County, one of which is proposed to be located within the jurisdictional boundaries of the City of Maitland, as those boundaries exist on the effective date of this Agreement; and

WHEREAS, implementation of the Commuter Rail System will result in overall social and environmental benefits, improve the quality of life in the State, stimulate economic growth, create new employment opportunities, and serve as a positive growth management catalyst; and

WHEREAS, substantial population and employment growth continues in Orange County and in the City of Maitland with an increase in congestion and a decrease in mobility along the existing road transportation networks; and

WHEREAS, the Commuter Rail System will greatly benefit all of the citizens of and visitors to the Central Florida area and is needed in order to relieve traffic congestion, and provide transportation opportunities; and

WHEREAS, the CFCRT is intended to provide a reliable high capacity transportation option for commuters who travel on Interstate 4 and parallel transportation corridors; and

WHEREAS, it is the City's understanding that there will be one rail through Maitland except that there may be two rails through the Station area only; and

WHEREAS, the City and the County desire to enter into this Agreement in order to set forth the covenants, terms, and conditions pursuant to which they will assist in funding the construction and operation of the CFCRT for the benefit of the Maitland Station; and

WHEREAS, the City has authority pursuant to Section 166.021, Florida Statutes, to enter into agreements; and

WHEREAS, the County has authority pursuant to Section 125.01, Florida Statutes, to enter into agreements; and

WHEREAS, the City and County have authority pursuant to Section 163.01, Florida
Statutes, to enter into interlocal agreements; and

WHEREAS, the City and the County have negotiated this Agreement in the spirit of cooperation in order to develop a partnership designed to maximize the efficient utilization of public resources for the CFCRT for the benefit of the public health, safety and welfare.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Agreement, the City and the County agree as follows:

Article 1. Recitals.

The foregoing recitals are true and form a material part of this Agreement.

Article 2. Definitions.

As used in this Agreement, the following terms used in this Agreement shall be defined as follows:

The term “Corridor” shall mean the transportation corridor through which the Commuter Rail System will operate, as described in the Master Interlocal Agreement, and specifically includes the platform and track used for the Commuter Rail System.

The term “Governing Board” shall mean the governing body of the Central Florida Commuter Rail System established under the Master Interlocal Agreement.

The term “Master Interlocal Agreement” shall mean the proposed documents known as the Interlocal Funding Agreement for the Acquisition and Construction of the Central Florida Commuter Rail System, by and between Orange County, Osceola County, Seminole County, County of Volusia, the City of Orlando, and the Florida Department of Transportation; the Interlocal Governance Agreement for the Creation of the Central Florida Commuter Rail Commission, by and between Orange County, Osceola County, Seminole County, County of Volusia, and the City of Orlando; and the Interlocal Operating Agreement for the Operation of
the Central Florida Commuter Rail System, by and between the Florida Department of Transportation and the Central Florida Commuter Rail Commission, all of which are attached hereto as "Exhibit A."

For purposes of this Agreement, the term "Station" shall include all the components generally described in "Exhibit C."

All capitalized terms not otherwise defined in this Article 2 shall have the meanings as set forth in the Master Interlocal Agreement.

Article 3. Representations,

The City and County each hereby represents and warrants to the other its respective authority and power under Florida law to enter into this Agreement.

Article 4. City's development and operational rights,

(a) The City shall have exclusive authority and sole discretion to make improvements or to establish ancillary facilities at or near the Station, provided such improvements or ancillary facilities do not materially adversely affect the Station or Commuter Rail System, and to grant allowable development rights, or to enter into agreements with landowners in the vicinity of the Station that could produce revenue for the City, should the City desire to take these acts. Nothing in this Agreement diminishes the City's right to control land development which the City holds over the land within its jurisdiction and corporate limits. The parties hereby affirm that the City retains control over all such land use decisions and the County shall not gain any control over those decisions by virtue of this Agreement.

In addition to and without limitation of the foregoing, the following specific policy areas have been reserved for the sole determination of the City and are therefore excluded from oversight, control or action under this Agreement:
any policy governing Station amenity charges and other revenue sources, provided no such policy or charge materially adversely affects the Commuter Rail System; and

any policy governing development opportunities at or near the Station, provided that no such policy or development materially adversely affects the Commuter Rail System, or restricts vehicular or pedestrian access to the Station; and

the color, finishes, materials, landscaping, traffic flow, and location of the Station, provided no such action materially adversely affects the Commuter Rail System or restricts pedestrian or vehicular access to the Station.

(b) The parties acknowledge that, prior to initiation of service, the County and other parties to the Master Interlocal Agreement will assist the FDOT in developing a safety and security plan for the Commuter Rail System. For the FDOT funding period, the parties acknowledge that FDOT shall be solely responsible for security on the Commuter Rail System pursuant to the terms of the Master Interlocal Agreement. Upon expiration of the FDOT funding period, the City agrees to be responsible for the costs of providing security at the Station located within its municipal boundaries; provided that the City shall determine in its sole discretion the level of security needed, staffing, and all other matters related to said security, and the City shall not be required to provide any particular level or type of security unless the City deems it appropriate to do so.

(c) Nothing in this Agreement constitutes a commitment by the City to agree to the location of a Station outside the railroad right-of-way, or to the specific location of a Station even within the right-of-way, pending review and acceptance by the City of the final "footprint" location of the proposed Station.
Article 5. Financial Obligations.

Section 5.1. County’s obligations.

(a) Capital Costs: Pursuant to the terms of the Master Interlocal Agreement, the County is obligated to pay to the FDOT the County’s fair share of the capital costs of the CFCRT (estimated at “Exhibit B” attached hereto).

(b) Local Operating Support Costs: Pursuant to the Master Interlocal Agreement, the County shall incur no obligation to pay Local Operating Support Costs for the FDOT funding period; however, upon expiration of the FDOT funding period, the County is obligated to pay its share of the Local Operating Support Costs of the CFCRT, such share to be determined as described in the Master Interlocal Agreement, attached hereto.

(c) Fixed Guideway Bond Debt Service: Pursuant to the Master Interlocal Agreement, the County shall incur no obligation to pay Fixed Guideway Bond Debt Service for the FDOT funding period; however, upon expiration of the FDOT funding period, the County is obligated to pay its share of the Fixed Guideway Bond Debt Service, such share to be determined as described in the Master Interlocal Agreement, attached hereto.

(d) Pursuant to the terms of this Agreement, commencing upon expiration of the FDOT funding period, the County agrees to pay thirty percent (30%) of the City’s Local Operating Support Costs and Fixed Guideway Bond Debt Service as provided in Section 5.3(b) and 5.3(c), respectively.

Section 5.2. City’s obligations.

(a) Capital Costs: Notwithstanding the County’s obligation to pay Capital Costs pursuant to the Master Interlocal Agreement (see Section 5.1(a) of this Agreement), the City is obligated and bound hereunder to timely pay to the County all of the Capital Costs related to the
development of the Maitland Station. The estimated Capital Costs to be paid by the City are as listed on “Exhibit C,” attached hereto.

(b) Local Operating Support Costs: The City shall incur no obligation to pay Local Operating Support Costs during the FDOT funding period; however, upon expiration of the FDOT funding period, notwithstanding the County’s obligation to pay Local Operating Support Costs pursuant to the Master Interlocal Agreement (see Section 5.1(b) of this Agreement), the City is obligated and bound hereunder to timely pay to the Governing Board or designee one hundred percent (100%) of the Local Operating Support Costs for the CFCRT allocated to the City pursuant to the formula set forth in the Master Interlocal Agreement, attached hereto.

(c) Fixed Guideway Bond Debt Service: The City shall incur no obligation to pay Fixed Guideway Bond Debt Service costs for the FDOT funding period; however, upon expiration of the FDOT funding period, notwithstanding the County’s obligation to pay Fixed Guideway Bond Debt Service pursuant to the Master Interlocal Agreement (see Section 5.1(c) of this Agreement), the City is obligated and bound hereunder to timely pay to the FDOT one hundred percent (100%) of the Fixed Guideway Bond Debt Service costs, as provided in the Master Interlocal Agreement, attached hereto, for the CFCRT track miles within the City’s municipal boundaries.

Section 5.3. Time and method of payments.

(a)(1) The City shall remit to the County the City’s share of the County’s obligation for Capital Costs for the Station, pursuant to the Master Interlocal Agreement, on or before thirty (30) days prior to the date on which the County must make its payment of the Capital Costs for the Station.
(a)(2) Notwithstanding the foregoing, in the event that the FDOT receives such Capital Cost funding directly on behalf of the City, the City’s obligation under subsection 5.3(a)(1) shall be deemed satisfied to the extent of funding received by FDOT.

(b) Commencing upon expiration of the FDOT funding period, the City shall be obligated and bound hereunder to timely pay its share of Local Operating Support Costs directly to the Governing Board or designee. Following payment by the City to the Governing Board of the City’s share of Local Operating Support Costs, upon written notice to the County, the County shall reimburse the City in an amount equal to thirty percent (30%) of the Local Operating Support Costs paid by the City. Reimbursement shall occur within forty-five (45) days of County’s receipt of notice and pursuant to Section 5.2(b).

(c) Commencing upon expiration of the FDOT funding period, the City shall be obligated and bound hereunder to timely pay its share of Fixed Guideway Bond Debt Service. Following payment by the City to the FDOT of the City’s share of Fixed Guideway Bond Debt Service, upon written notice to the County, the County shall reimburse the City in an amount equal to thirty percent (30%) of the Fixed Guideway Bond Debt Service paid by the City. Reimbursement shall occur within forty-five (45) days of County’s receipt of notice and pursuant to Section 5.2(c).

(d) If a dedicated funding source for all financial costs and obligations placed upon the City hereunder is secured, the City shall be relieved hereunder from all such financial costs and obligations so long as such dedicated funding source exists.

Section 6.1. Term of agreement.

This Agreement shall continue in full force and effect and be binding upon the parties for a period of ninety nine years unless sooner terminated as provided herein.

Section 6.2. Termination.

(a) This Agreement shall automatically terminate if the Master Interlocal Agreement is not executed by all parties on or before October 31, 2007.

(b) If the City does not receive Federal or State funds in an amount sufficient (less any required local match) to construct the Station the City may terminate this Agreement so long as the County receives written notice of termination pursuant to this paragraph before October 31, 2007.

(c) If the Station location, design, or revised estimated Capital Costs (see Section 5.2(a)) do not meet the approval of the City Council, the City may terminate this Agreement with thirty (30) days notice to the County. However, the City’s decision to terminate this Agreement, pursuant to this subsection, shall be made, if at all, not later than thirty (30) days following the end of thirty percent (30%) preliminary design so long as the thirty percent (30%) preliminary design establishes the precise location and footprint of the Station. If such preliminary design does not, then this date shall be extended until such time as that location and footprint are established. In addition, if this termination right is exercised by the City, the City shall reimburse the County, the FDOT, and the FTA for any monies expended on the design of the Maitland Station. These monies shall be reimbursed within thirty (30) days of the City terminating this Agreement. This obligation of the City under this subsection shall survive termination of this Agreement.
(d) Within sixty (60) days of the date of expiration of the FDOT funding period, the City may terminate this Agreement with thirty (30) days notice to the County upon the occurrence of both of the following conditions:

(1) A dedicated funding source to defray the Local Operating Support Costs and the Fixed Guideway Bond Debt Service costs for the Commuter Rail System has not been secured; and

(2) The decision to terminate is made by a majority vote of the City Council.

Upon termination of this Agreement as set forth in this subsection, the City shall close the Station and the Commuter Rail System shall cease providing services to such Station. Upon termination, the obligations of the City as described at sections 5.2(b) and 5.2(c) of this Agreement shall immediately cease, provided, however, upon such termination the City shall indemnify and hold harmless the County from any obligation to refund, reimburse or repay, pursuant to their terms, any Federal or State funds and/or grants that were used to construct, permit or operate the Station or Parking Areas within the City. The obligations of the City under this subsection shall survive termination of this Agreement. It is the intention of the Parties that this indemnification provision shall be specifically limited to obligations which would not otherwise have existed had the Station not been constructed.

Section 6.3. Enforcement; remedies.

This Agreement (and any part of this Agreement that may survive the termination of this Agreement) shall be enforceable by the parties hereto by whatever remedies are available in law or equity, including mandatory or prohibitory injunctive relief, specific performance, and actions to recover damages. In the event that either party believes the other party is not complying with or is violating this Agreement and seeks temporary and/or permanent injunctive relief as a result, the parties acknowledge and agree that the party bringing the case for injunctive relief shall, upon
proving to the satisfaction of the reviewing court such non-compliance or violation, be deemed to have suffered irreparable harm and to have proven that it is in the best interests of the public to prevent, cure or stop the non-compliance or violation.

In the event the City fails to timely pay 100% of the costs as stated herein the County shall, in its sole discretion, determine whether all service and maintenance to the Station shall cease operations.

Section 6.4. Master Interlocal Agreement.

(a) The City understands, acknowledges and agrees that the County is subject to, is bound by and must comply with all terms and conditions of the Master Interlocal Agreement attached hereto as “Exhibit A.”

(b) The City understands, acknowledges and agrees that, but for the Master Interlocal Agreement, the County would not have entered into this Agreement with the City.

(c) The City agrees that in fulfilling its responsibilities, duties and obligations under this Agreement, it shall not undertake any action or engage in any act that is inconsistent with or conflicts with any of the terms and conditions of the Master Interlocal Agreement.

Section 6.5. Disclaimer of third-party beneficiaries.

This Agreement is solely for the benefit of the City and the County, and no right, privilege, or cause of action shall accrue by reason hereof to or for the benefit of any third party, including without limitation any other municipality or county. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon or give any person, corporation, partnership, trust, private entity, agency, or other governmental entity any right, privilege, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof, other than the parties hereto and their respective successors and assigns.
Section 6.6. Notice.

(a) All notices which any party shall be required, requested or desires to give under this Agreement shall be in writing and shall be given only by hand delivery for which a receipt is obtained, or certified mail, prepaid with confirmation of delivery requested, or by facsimile transmission. All such communications shall be addressed to the applicable addressees set forth below or as either party may otherwise designate in a written notice to the other party delivered in the manner prescribed herein.

If to the City: Mayor
City of Maitland
Maitland Municipal Complex
1776 Independence Lane
Maitland, Florida 32751
407-539-6200 (Phone)
407-539-6282 (Fax)

With a copy to: City Manager
City of Maitland
Maitland Municipal Complex
1776 Independence Lane
Maitland, Florida 32751
407-539-6200 (Phone)
407-539-6282 (Fax)

If to the County: County Mayor
201 S. Rosalind Avenue
Orlando, Florida 32802
407-836-7370 (Phone)
407-836-7360 (Fax)

With a copy to: County Administrator
201 S. Rosalind Avenue
Orlando, Florida 32802
407-836-7370 (Phone)
407-836-7399 (Fax)

With a copy to: County Attorney
201 S. Rosalind Ave.
(b) Notices shall be deemed given when received by the party for whom such communication is intended at such party's address herein specified, or such other address, phone or fax number as such party may have substituted therefore by notice to the other.

Section 6.7. Complete agreement; effect on other agreements; interpretation and construction; captions; counterparts.

(a) This Agreement embodies and constitutes the entire understanding of the parties with respect to the subject matter addressed herein, and all prior agreements, understandings, representations and statements, oral or written, including the Interlocal Agreement by and between Orange County, Florida and the City of Maitland regarding the Central Florida Commuter Rail Transit System approved by the City of Maitland on April 23, 2007 and by Orange County on July 19, 2007 are replaced and superseded by this Agreement.

(b) This Agreement, however, shall not be construed or interpreted as amending, modifying, superseding or terminating any other agreements between the City and County, except to the extent any other such agreement may conflict with or not be consistent with this Agreement.

(c) Neither the form of this Agreement, nor any provision or wording of this Agreement, shall be interpreted or construed against one party as the drafter thereof.

(d) Captions in this Agreement are intended for convenience and reference only, and the words and terms contained therein shall not in any way be held to explain, modify, amplify, or aid in the interpretation, construction or meaning of the provisions of this Agreement.
(e) This Agreement shall be executed by the parties in two original and identical counterparts, with one of the fully executed originals and its exhibits to be retained in the office of the City Clerk, and the other to be retained in the office of the Clerk of the Board of County Commissioners.

Section 6.8 Amendments and modifications; equal treatment.

(a) This Agreement may not be amended or modified except pursuant to an instrument in writing that has been executed by both parties hereto.

(b) If the City believes the City of Winter Park has been given more favorable treatment by the County in the Interlocal Agreement regarding the Commuter Rail System, then the City may notify the County of such and the parties shall amend this Interlocal Agreement so that the City receives equal or substantially the same treatment as the City of Winter Park.

Section 6.9. Covenant to defend.

The parties agree that neither this Agreement nor any portion of this Agreement may be challenged by the City or the County. Furthermore, if this Agreement or any portion hereof is challenged by a third party in any judicial, administrative or appellate proceeding (each party hereby covenantee with the other party not to initiate, encourage, foster, promote, cooperate with, or acquiesce to such challenge), the parties hereto collectively and individually agree, at their individual sole cost and expense, to defend in good faith its validity through a final judicial determination or other resolution, unless both parties mutually agree in writing not to defend such challenge or not to appeal any decision invalidating this Agreement or any portion thereof.
Section 6.10. Conflict resolution.

(a) In the event that any irreconcilable disagreements or conflicts arise between the parties relating to the terms of this Agreement that are not cured within a period of 60 days, the procedures for conflict resolution set forth in Chapter 164, Florida Statutes, shall be followed prior to the initiation of any legal, equitable or other formal challenge or action by either party.

(b) Notwithstanding the foregoing, in the event that either party determines in its sole discretion and good faith that it is necessary to file a lawsuit or other formal challenge in order to meet a jurisdictional time deadline, to obtain a temporary injunction, or otherwise to preserve a legal or equitable right, such lawsuit or challenge may be filed, but upon the filing and any other act necessary to preserve the legal or equitable right or to obtain the temporary injunction, the parties shall thereafter promptly file a joint motion with the reviewing court or administrative law judge requesting that the case be abated in order to afford the parties an opportunity to pursue the dispute resolution procedures set forth in Chapter 164. If the abatement is granted, the parties shall revert to and pursue the dispute resolution procedures set forth in Chapter 164.

(c) In the event the parties cannot resolve a disagreement or conflict after following the procedures set forth in Chapter 164, then in such event the parties may pursue or resume pursuing such other remedies as may be available for resolution of such conflict, including but not limited to all judicial and administrative remedies.

Section 6.11. Binding effect.

All of the provisions, representations, covenants and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.
Section 6.12. Governing law; changed law; venue.

(a) This Agreement shall be construed, interpreted, and governed by the laws of the State of Florida.

(b) If future federal or state statute, law, rule, regulation, or action renders a portion of this Agreement illegal, invalid, or unenforceable, the parties agree to amend this Agreement to delete and/or modify such portion of this Agreement as is necessary to render the remainder of this Agreement legal, valid, or enforceable, provided the original intent of the parties can be carried forward in a manner that substantially fulfills such original intent. If future federal or state statute, law, rule, regulation, or action renders this Agreement illegal, invalid, or unenforceable in its entirety, then this Agreement, if not already terminated by operation of such statute, law, rule, regulation, or action, may be terminated by either or both parties pursuant to Section 6.

(c) Venue for any action to enforce any of the provisions of this Agreement shall be in the Circuit Court of the Ninth Judicial Circuit of Florida, in and for Orange County, Florida.

Section 6.13. Records; documents and instruments.

(a) The City and the County shall keep complete records and accounts according to generally accepted government accounting principles, practices, and procedures that sufficiently and properly reflect all costs and expenditures incurred by the City and the County in connection with this Agreement. Each party shall have the right, at the requesting party’s expense, to conduct an audit of the other party’s records during normal business hours at the offices of the party whose records are being audited.

(b) At any time following a request by a party, the other party shall execute and deliver to the requesting party such documents and instruments, in form and substance
reasonably necessary to confirm or effectuate the obligations of either party and consummate the transactions contemplated hereby. Each party shall perform any other acts and to sign and deliver any other documents that may be reasonably necessary to carry out the provisions of this Agreement.

Article 7. Sovereign immunity.

Neither the County nor the City waives sovereign immunity. The non-waiver of defenses provisions contained in the Master Interlocal Agreement applies to the both County and City and the language of those provisions shall be incorporated herein by reference.

Article 8. Exhibits.

The following documents are attached hereto and incorporated herein by reference as exhibits:

Exhibit A "Master Interlocal Agreement" which includes:

Appendix A Interlocal Funding Agreement for the Acquisition and Construction of the Central Florida Commuter Rail System, by and between Orange County, Osceola County, Seminole County, County of Volusia, the City of Orlando, and the Florida Department of Transportation;

Appendix B Interlocal Governance Agreement for the Creation of the Central Florida Commuter Rail Commission, by and between Orange County, Osceola County, Seminole County, County of Volusia, and the City of Orlando; and

Appendix C Interlocal Operating Agreement for the Operation of the Central Florida Commuter Rail System, by and between the Florida Department of Transportation and the Central Florida Commuter Rail Commission.
**Exhibit B** Preliminary Commuter Rail Cost Allocation Analysis Year of Expenditure LPA Assessment, revised June 2007.

**Exhibit C** Central Florida Commuter Rail Transit Station Development – Construction Estimate.
Article 9. Effective date.

This Agreement shall take effect upon the date of approval by the City or upon the date of approval by the County, whichever date is later, but only if the date of approval falls on or before August 31, 2007.

CITY OF MAITLAND
By: City Council

By: __________________________
Doug Kinson, Mayor

Date: _________________________

ATTEST: City Clerk

By: __________________________
Maria Waldrop

Approved as to form and legality
(for the use and reliance of the City):

___________
City Attorney

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By: __________________________
Richard T. Crotty, County Mayor

ATTEST: Martha O. Haynie, County Comptroller
as Clerk of the Board of County Commissioners

By: __________________________
Deputy Clerk
Exhibit A
Interlocal Funding Agreement for the Acquisition and Construction of the Central Florida Commuter Rail System, by and between Orange County, Osceola County, Seminole County, County of Volusia, the City of Orlando, and the Florida Department of Transportation

7/5/07

INTERLOCAL FUNDING AGREEMENT
FOR
ACQUISITION AND CONSTRUCTION OF THE
CENTRAL FLORIDA COMMUTER RAIL SYSTEM

By and Among

ORANGE COUNTY, FLORIDA
OSCEOLA COUNTY, FLORIDA
SEMINOLE COUNTY, FLORIDA
COUNTY OF VOLUSIA, FLORIDA
CITY OF ORLANDO, FLORIDA

AND

FLORIDA DEPARTMENT OF TRANSPORTATION
# Table of Contents

1. INTERLOCAL FUNDING AGREEMENT ................................................................. 1
2. ARTICLE I ........................................................................................................... 4
3. DEFINITIONS AND CONSTRUCTION ............................................................... 4
   SECTION 1.01. DEFINITIONS ............................................................................. 4
   SECTION 1.02. INTERPRETATION ..................................................................... 4
   SECTION 1.03. SECTION HEADINGS ................................................................. 5
3. ARTICLE II ......................................................................................................... 6
4. REPRESENTATIONS ............................................................................................ 6
   SECTION 2.01. REPRESENTATIONS OF ORANGE COUNTY ............................. 6
   SECTION 2.02. REPRESENTATIONS OF OSCEOLA COUNTY ......................... 6
   SECTION 2.03. REPRESENTATIONS OF SEMINOLE COUNTY ......................... 7
   SECTION 2.04. REPRESENTATIONS OF THE COUNTY OF VOLUSIA ............... 8
   SECTION 2.05. REPRESENTATIONS OF THE CITY OF ORLANDO .................... 8
   SECTION 2.06. REPRESENTATIONS OF FDOT .................................................. 9
5. ARTICLE III ...................................................................................................... 10
6. STATIONS ......................................................................................................... 10
   SECTION 3.01. GENERAL PROVISIONS .......................................................... 10
   SECTION 3.02. JOINT USE AGREEMENTS...................................................... 10
   SECTION 3.03. STATION IMPROVEMENTS ..................................................... 12
   SECTION 3.04. STATION AREA LAND USE AND DEVELOPMENT.................. 12
   SECTION 3.05. OTHER RIGHTS OF LOCAL GOVERNMENT PARTNERS ............ 13
   SECTION 3.06. STATION MAINTENANCE AND SECURITY ............................... 13
   SECTION 3.07. APPLICATION TO WINTER PARK AND Maitland ....................... 13
7. ARTICLE IV ...................................................................................................... 14
8. FINANCIAL OBLIGATIONS .............................................................................. 14
   SECTION 4.01. INITIAL CAPITAL FUNDING ................................................ 14
   SECTION 4.02. CONSTRUCTION COST CONTINGENCIES ............................... 17
   SECTION 4.03. FDOT BOND DEBT SERVICE .............................................. 19
   SECTION 4.04. COVENANT TO BUDGET AND APPROPRIATE ...................... 21
   SECTION 4.05. FDOT FIXED-GUIDEWAY BOND REFUNDING ..................... 22
   SECTION 4.06. FDOT ANNUAL APPROPRIATIONS ...................................... 223
9. ARTICLE V ...................................................................................................... 24
10. GENERAL PROVISIONS ............................................................................. 24
    SECTION 5.01. TERM ..................................................................................... 24
    SECTION 5.02. SERVICE POLICIES ............................................................. 24
    SECTION 5.03. RESOLUTION OF DISPUTES .............................................. 24
    SECTION 5.04. NOTICES ............................................................................ 26
    SECTION 5.05. ENFORCEMENT ................................................................. 27
    SECTION 5.06. COUNTERPARTS ................................................................. 27
    SECTION 5.07. CONCURRENT AGREEMENTS ........................................... 27
    SECTION 5.08. SEVERABILITY .................................................................. 28
    SECTION 5.09. CONTRACTUAL RELATIONSHIP ...................................... 28
    SECTION 5.10. GOVERNING LAW AND VENUE ...................................... 28
    SECTION 5.11. FURTHER ASSURANCES ..................................................... 29

APPENDIX A  MASTER GLOSSARY ..................................................................... 35
APPENDIX A  MASTER GLOSSARY
INTERLOCAL FUNDING AGREEMENT

THIS INTERLOCAL FUNDING AGREEMENT is made and entered into by and among
Orange County, a charter county and political subdivision of the State of Florida ("Orange County"),
Osceola County, a charter county and political subdivision of the State of Florida ("Osceola County"),
Seminole County, a charter county and political subdivision of the State of Florida ("Seminole County"), the County of Volusia, a charter county and political subdivision of the State of Florida ("County of Volusia"), the City of Orlando, a municipal corporation of the State of Florida (the "City of Orlando"), and the State of Florida Department of Transportation, an agency of the State of Florida ("FDOT").

WITNESS:

WHEREAS, FDOT is undertaking the development and implementation of the Central Florida Commuter Rail Transit System (the "Commuter Rail System") running from DeLand in the County of Volusia through Seminole County and Orange County (including the City of Orlando) to Poinciana in Osceola County; and

WHEREAS, FDOT and CSX Transportation, Inc. ("CSXT") expect to enter into a Contract for Sale and Purchase which, subject to certain conditions precedent, provides for the acquisition (subject to a retained perpetual easement for Rail Freight Services) by FDOT from CSXT of the railroad corridor known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles, (the "Corridor") for the use of the Commuter Rail System; and

WHEREAS, FDOT and CSXT expect to enter into a Central Florida Operating and Management Agreement establishing operating windows for passenger rail and freight operations within the Corridor and providing for use and maintenance of the Corridor; and
WHEREAS, FDOT is in the process of making application to the Federal Transit Administration (FTA) and Congress for capital funds, commonly referred to as New Starts funding to provide a portion of the funds necessary for the planning, design, right-of-way acquisition and construction of the proposed commuter rail service on the Commuter Rail System; and

WHEREAS, Federal New Starts funding and other Federal funding will require a 50 percent match of Federal funds with state and local funds for capital costs, which will be shared among FDOT, Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando in the manner set forth herein; and

WHEREAS, Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando (collectively, the "Local Government Partners") have agreed that FDOT will be the agency responsible for the design, permitting and construction of the Commuter Rail System, and will be responsible for its funding, operation, management, and maintenance for a period seven years (the "FDOT Funding Period") following the Revenue Operation Date (as hereinafter defined); and

WHEREAS, FDOT has agreed to issue Fixed-Guideway Bonds pursuant to Section 215.615, Florida Statutes, to partially fund acquisition of the Corridor and relocate the Taft Yard Facility, and has agreed to pay the debt service thereon during the first seven years of Commuter Rail System operation and the Local Government Partners have agreed to pay the debt service on the bonds thereafter until the bonds are paid in full; and

WHEREAS, the Local Government Partners have created the Central Florida Commuter Rail Commission (the "Commission") to assume responsibility for funding, operation, management, and maintenance of the Commuter Rail System upon expiration of the FDOT Funding Period; and

WHEREAS, FDOT has agreed to convey an easement in the Corridor and fee title to the Station Property to the Commission in accordance with and under the conditions described in Section
3.05 of the Interlocal Operating Agreement between FDOT and the Commission; and

WHEREAS, the Commuter Rail System is contained in the Year 2025 Metroplan Orlando's Orlando Urban Area Transportation Study "Financially Constrained Network," and the 2025 Volusia County Long Range Transportation Plan; and

WHEREAS, implementation of the Commuter Rail System will result in overall social and environmental benefits, improve the quality of life in the state, stimulate economic growth, create new employment opportunities, and serve as a positive growth management catalyst; and

WHEREAS, the Commuter Rail System will greatly benefit all of the citizens of and visitors to the Central Florida region, and is needed in order to relieve traffic congestion, and provide transportation opportunities; and

WHEREAS, the Commuter Rail System will become an integral part of a Central Florida balanced transportation system and, with concurrent development of improvements to roadways and bus transit, will greatly enhance the mobility of the traveling public;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein and other valuable consideration, receipt of which is hereby acknowledged, the parties mutually undertake, promise and agree for themselves, their successors and assigns as follows:
ARTICLE I

DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in the Master Glossary of Terms for the Florida Commuter Rail System Agreements, and attached hereto as Appendix A and by the reference incorporated herein.

SECTION 1.02. INTERPRETATION. For the purposes of the interpretation, construction, administration, and implementation of this Interlocal Funding agreement, unless otherwise stated in this Interlocal Funding Agreement, the following rules of construction shall apply:

(A) Words importing the singular number shall include the plural, and vice versa, unless the context clearly indicates to the contrary.

(B) In case of any difference of meaning or implication between the text of this Interlocal Funding Agreement and any caption, illustration, summary table or illustrative table, the text shall control.

(C) The word “shall” is mandatory, not discretionary; the word “may” is permissive and discretionary.

(D) The word “person” includes an individual, a corporation, a partnership, an incorporated association, or any other similar entity.

(E) Unless the context clearly indicates to the contrary, where a provision involves two or more items, conditions, provisions or events connected by the conjunction “and,” “or” or “either . . . or,” the conjunction shall be interpreted as follows:

a. And indicates that all the connected terms, conditions, provisions or events shall apply.
b. *Or* indicates that the connected items, conditions, provisions or events may apply singly or in any combination.

c. *Either . . . or* indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.

(F) The word "includes" shall not limit a term to the specific example but is intended to extend its meaning to all other instances or circumstances of like kind or character.

(G) The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Interlocal Funding Agreement; the term "heretofore" shall mean prior to execution of this Interlocal Funding Agreement.

(H) This Interlocal Funding Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Interlocal Funding Agreement.

**SECTION 1.03. SECTION HEADINGS.** Any headings preceding the texts of the several Articles and Sections of this Interlocal Funding Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Interlocal Funding Agreement nor affect its meaning, construction or effect.
ARTICLE II

REPRESENTATIONS

SECTION 2.01. REPRESENTATIONS OF ORANGE COUNTY. Orange County makes the following representations as the basis for the undertakings on the part of FDOT and the other Local Government Partners herein contained:

(A) Orange County has duly authorized the execution and delivery of this Interlocal Funding Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Funding Agreement constitutes a valid and legally binding obligation of Orange County, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To Orange County's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of Orange County, threatened against or affecting Orange County, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Funding Agreement.

SECTION 2.02. REPRESENTATIONS OF OSCEOLA COUNTY. Osceola County makes the following representations as the basis for the undertakings on the part of FDOT and the other Local Government Partners herein contained:

(A) Osceola County has duly authorized the execution and delivery of this Interlocal Funding Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Funding Agreement constitutes a valid and legally binding obligation of Osceola County,
enforceable in accordance with its terms, except to the extent that the enforceability thereof may be
limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws
affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general
principles of equity or public policy.

(B) To Osceola County's knowledge, there is no action, suit, proceeding or investigation at
law or in equity before or by any court, public board or body pending or, to the best knowledge of
Osceola County, threatened against or affecting Osceola County, wherein an unfavorable decision,
ruling or finding would materially adversely affect the transactions contemplated hereby or which, in
any way, would materially adversely affect the validity of this Interlocal Funding Agreement.

SECTION 2.03. REPRESENTATIONS OF SEMINOLE COUNTY. Seminole County
makes the following representations as the basis for the undertakings on the part of FDOT and the other
Local Government Partners herein contained:

(A) Seminole County has duly authorized the execution and delivery of this Interlocal
Funding Agreement and assuming the due authorization, execution and delivery by the other parties
hereto, this Interlocal Funding Agreement constitutes a valid and legally binding obligation of
Seminole County, enforceable in accordance with its terms, except to the extent that the enforceability
thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other
similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance
with general principles of equity or public policy.

(B) To Seminole County's knowledge, there is no action, suit, proceeding or investigation at
law or in equity before or by any court, public board or body pending or, to the best knowledge of
Seminole County, threatened against or affecting Seminole County, wherein an unfavorable decision,
ruling or finding would materially adversely affect the transactions contemplated hereby or which, in
any way, would materially adversely affect the validity of this Interlocal Funding Agreement.

SECTION 2.04. REPRESENTATIONS OF THE COUNTY OF VOLUSIA. The County of Volusia makes the following representations as the basis for the undertakings on the part of FDOT and the other Local Government Partners herein contained:

(A) The County of Volusia has duly authorized the execution and delivery of this Interlocal Funding Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Funding Agreement constitutes a valid and legally binding obligation of the County of Volusia, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To the County of Volusia's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of the County of Volusia, threatened against or affecting the County of Volusia, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Funding Agreement.

SECTION 2.05. REPRESENTATIONS OF THE CITY OF ORLANDO. The City of Orlando makes the following representations as the basis for the undertakings on the part of FDOT and the other Local Government Partners herein contained:

(A) The City of Orlando has duly authorized the execution and delivery of this Interlocal Funding Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Funding Agreement constitutes a valid and legally binding obligation of the City
of Orlando, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To the City of Orlando's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of the City of Orlando, threatened against or affecting the City of Orlando, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Funding Agreement.

SECTION 2.06. REPRESENTATIONS OF FDOT. FDOT makes the following representations as the basis for the undertakings on the part of the Local Government Partners herein contained:

(A) FDOT has duly authorized the execution and delivery of this Interlocal Funding Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Funding Agreement constitutes a valid and legally binding obligation of FDOT, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To FDOT's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of FDOT, threatened against or affecting FDOT, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would
ARTICLE III

STATIONS

SECTION 3.01. GENERAL PROVISIONS. Phases I and II of the Commuter Rail System will include seventeen Stations, each of which will be pedestrian accessible, have convenient connections for bus and other transportation services, and amenities designed with input from the Local Government Partners. Subject to the conveyance requirements set forth in Section 3.05 of the Interlocal Operating Agreement, the Stations, other than Amtrak Stations, shall be owned by FDOT for the benefit of the Commuter Rail System. Management of Amtrak Stations shall be subject to prior agreements with CSXT, and upon their expiration, future agreement between Amtrak and FDOT (during the FDOT Funding Period, provided that FDOT permits the Commission to offer input regarding such future agreement between Amtrak and FDOT) or the Commission (following expiration of the FDOT Funding Period). Operation and management of the Station Platforms and Station Property shall be delineated in a joint use agreement between FDOT and the Responsible Local Government Partner.

SECTION 3.02. JOINT USE AGREEMENTS.

(A) Prior to the Commissioning of the Commuter Rail System, FDOT and the Responsible Local Government Partner shall enter into a joint use agreement for the Station or Stations, which shall delineate the responsibilities of each party, and as a minimum include the following:

1. maintenance and operation standards for the Station;
2. control over the Station Platform and any structure or device or system located on the Station Platform;
(3) provision of adequate pedestrian access to the Station Platform and Station Property;

(4) requirements for housekeeping and appearance of the Station Platform and Station Property, for which the Local Government Partner shall be responsible from its own funds;

(5) security and law enforcement for the Station Platform and Station Property;

(6) access for vehicular or pedestrian traffic to the Station Platform and Station Property;

(7) provision of adequate lighting and parking; and

(8) the Local Government Partner's rights to develop ancillary facilities located near or on the Station site that are not inconsistent with this Interlocal Funding Agreement.

(B) Revenue generated at any Commuter Rail System Station maintained wholly or in part by a Responsible Local Government Partner that shall be retained by the Responsible Local Government Partner shall exclude revenue generated from parking operations on Station Property and joint fare revenues and shall include the following:

(1) non-fare vending or concession revenues;

(2) facility rental income;

(3) revenue generated from parking operations located on property that is not part of the commuter rail system;

(4) financial contributions by other entities to a particular Local Government Partner in support of such Station or as a contribution toward a particular Local Government Partner's Share of Local Operating Support payment; and

(5) advertising and naming rights.
To the extent Federal or State funds are used to construct parking facilities associated with the Commuter Rail System there shall be no charge for Station parking during the FDOT Funding Period. Thereafter any charge for such parking shall be approved pursuant to Section 5.05(D) of the Interlocal Governance Agreement.

SECTION 3.03. STATION IMPROVEMENTS. In the event it is determined that additional parking or other improvements to the Station Property need to be provided at any given Station location, FDOT and the Responsible Local Government Partner within whose jurisdiction the Station is located agree to work together to meet these needs.

SECTION 3.04. STATION AREA LAND USE AND DEVELOPMENT. FDOT and the Local Government Partners agree that maintaining a transit friendly atmosphere in the vicinity of Stations will encourage and foster use of the Commuter Rail System and increase ridership. Therefore, the parties agree that each Local Government Partner, to the extent permitted by law, shall encourage land use policies and restrictions, consistent with sound growth management principles and in accordance with applicable law, that encourage transit oriented land uses and enhance utilization of the Commuter Rail System by the general public. With respect to any right-of-way or other real estate owned by or under the control of FDOT contiguous with a Station, FDOT shall cooperate with the Responsible Local Government Partner in determining appropriate uses for such property so as to promote the Commuter Rail System and other public transit. Furthermore, the parties agree that the Responsible Local Government Partner shall have exclusive authority to establish ancillary facilities at the Station location, and to grant allowable development rights, or to enter into agreements with landowners in the vicinity of a Station that could produce revenue for the Responsible Local Government Partner. FDOT agrees to cooperate in using their authority with the Responsible Local Government Partners for development of the Station Platforms and Station Property.
SECTION 3.05. OTHER RIGHTS OF LOCAL GOVERNMENT PARTNERS.

The following specific policy areas have been reserved for the sole determination of each individual Local Government Partner, and therefore excluded from oversight, control or action by FDOT or any other Local Government Partner:

(A) any policy governing station amenity charges and other revenue sources, other than Commuter Rail System fares and parking charges at FDOT owned facilities, provided no such charge adversely affects the Commuter Rail System; and

(B) any policy governing development opportunities at or near a Station, provided that no such development adversely affects the Commuter Rail System, or restricts vehicular or pedestrian access to the Station.

SECTION 3.06. STATION MAINTENANCE AND SECURITY. Station Property shall be maintained by the Responsible Local Government Partner. Security for the Station Property shall be provided by the Responsible Local Government Partner.

SECTION 3.07. APPLICATION TO WINTER PARK AND MAITLAND. Notwithstanding the foregoing, nothing in this Article III is intended to, nor shall it be construed to, give FDOT or a Local Government Partner any authority or control over land use or other municipal government decisions. Specifically, and without limitation of this Section, the City of Winter Park and the City of Maitland shall have the right to approve or disapprove Station improvements, Station land use area and development, lighting, parking and security related to any Station within its municipal boundaries. No Joint Use Agreement (as discussed in Section 3.01, 3.02 or otherwise) shall be binding on the City of Winter Park or the City of Maitland unless the City of Winter Park or the City of Maitland is respectively a signatory and party thereto. The parties to this Interlocal Funding Agreement understand and acknowledge that the building in Winter Park generally known as the "Amtrak Station"
is City of Winter Park property, and the City of Winter Park has not agreed to convey any of its property to either FDOT or the Commission.

**ARTICLE IV**

**FINANCIAL OBLIGATIONS**

**SECTION 4.01. INITIAL CAPITAL FUNDING.**

(A) The parties expect to receive FTA Funds for 50 percent of the Phase I Cost Estimate and 50 percent of the Phase II Cost Estimate. The remaining Capital Cost will be funded by FDOT and the Local Government Partners as described in this Section and Section 4.02 hereof.

(B) The Local Government Partners agree to contribute funds toward the Capital Cost for the construction, installation and equipping of Phase I and Phase II in the amounts shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Volusia</th>
<th>Seminole</th>
<th>Orlando</th>
<th>Orange</th>
<th>Osceola</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engineering</strong></td>
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<td></td>
<td></td>
<td></td>
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<td>Phase I</td>
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<td>$13,700,000</td>
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FDOT agrees to match the foregoing Initial Capital Contributions on a one-to-one basis with its own funds.
(1) The Preliminary Engineering Contributions for Phase I and Phase II shall be paid by each Local Government Partner on or prior to the thirtieth day following the date on which this Interlocal Funding Agreement has been fully executed by all of the parties hereto. FDOT shall use the Preliminary Engineering Contributions for design of the Commuter Rail System. The parties anticipate that the Preliminary Engineering Contributions will be sufficient to fund twenty-five percent of the thirty percent engineering for the Commuter Rail System.

(2) The Station Property Contributions for Phase I and Phase II shall be paid by each Local Government Partner on or prior to the sixtieth day following the date on which this Interlocal Funding Agreement has been fully executed by all of the parties hereto. FDOT shall use the Station Property Contributions to fund twenty-five percent of the Station Property acquisition cost.

(3) When thirty percent design of the Commuter Rail System has been completed, FDOT will notify the Local Government Partners in writing. The Final Design Contributions for Phase I shall be paid by each Local Government Partner within thirty days of the notice provided by FDOT (estimated to be November 1, 2007). FDOT shall use the Final Design Contributions to fund twenty-five percent of the Phase I Commuter Rail System design cost.

(4) The Construction Contributions for Phase I shall be paid by each Local Government Partner within 30 days before FDOT enters into the guaranteed maximum design-build or other firm-fixed price contract, as set forth in Section 4.02(A) hereof. FDOT shall use the Phase I Construction Contributions to fund twenty-five percent of the Phase I Commuter Rail System construction cost.

(5) FDOT shall notify the Local Government Partners in writing two months prior to the date it expects to request proposals for a guaranteed maximum price design-build or other
Interlocal Funding Agreement

firm-fixed price contract for Phase II of the Commuter Rail System. The Final Design Contributions for Phase II shall be paid by each Local Government Partner within thirty days of the notice provided by FDOT (estimated to be October 1, 2010). FDOT shall use the Final Design Contributions to fund twenty-five percent of the Phase II Commuter Rail System design cost.

(6) The Construction Contributions for Phase II shall be paid by each Local Government Partner within 30 days before FDOT enters into the a guaranteed maximum design-build or other firm-fixed price contract, as set forth in Section 4.02(8) hereof. FDOT shall use the Phase II Construction Contributions to fund twenty-five percent of the Phase II Commuter Rail System construction cost.

(C) A Local Government Partner may elect to defer payment of any installment of its Initial Capital Contribution by providing an irrevocable commercial letter of credit to FDOT meeting the requirements set forth in Rule 14-116.002, Florida Administrative Code and in a form acceptable to the FDOT Comptroller. The deferred payment schedule shall be as agreed in writing by FDOT and the Local Government Partner electing to provide a letter of credit. The written agreement must be entered into by the Local Government Partner and FDOT, and the letter of credit must be obtained by Local Government Partner and approved by FDOT, at least thirty days prior to the installment due date for which payment is being deferred.

(D) The Department and the Local Government Partners agree that the Local Government Partners’ capital contributions will be limited to 50% of the amount not funded by FTA Funds, and therefore, in the event that the final costs for Engineering, Station Property, Final Design, and Construction are less than estimated, any excess contribution will be refunded so as to not exceed the limit.
(E) To the extent that and Local Government Partner is obtaining a State Infrastructure Bank (SIB) loan to provide the funds for that Local Government Partner’s contribution hereunder, the terms and conditions of the SIB loan documents are hereby incorporated by this reference and the Department agrees to full cooperate so as to permit the Local Government Partner to be in compliance with the SIB loan requirements.

SECTION 4.02. CONSTRUCTION COST CONTINGENCIES.

(A) FDOT shall procure and contract a guaranteed maximum price design-build or other contract that establishes a firm-fixed price for the work, for Phase I of the Commuter Rail System in accordance with the Interlocal Operating Agreement as soon as practicable after FTA approves FDOT's entry into the final design process for Phase I and funding for the Commuter Rail System has been included in the President's budget. If FTA does not approve FDOT's entry into the final design process for Phase I and funding for the Commuter Rail System has not been included in the President's budget prior to July 31, 2008, or if FDOT is unable to enter into a guaranteed maximum design-build or other firm-fixed price contract for Phase I of the Commuter Rail System in accordance with the Interlocal Operating Agreement, this Interlocal Funding Agreement may be terminated pursuant to Section 6.02(B)(4) of the Interlocal Operating Agreement.

(1) If FDOT is able to enter into guaranteed maximum design-build or firm-fixed price contract for Phase I equal to or less than 105 percent of the Phase I Cost Estimate, FDOT shall notify the Local Government Partners of the difference in writing. In such event, FDOT agrees to pay 50 percent of the difference and the Phase I Construction Contribution for each Local Government Partner shall be increased proportionately and paid within forty-five calendar days of notification from the Department or prior to the posting of the accepted bid.

(2) If FDOT can only enter into a guaranteed maximum design-build or firm-fixed
price contract for Phase I greater than 105 percent of the Phase I Cost Estimate, FDOT will notify the Local Government Partners of the difference in writing. The parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to determine whether the Phase I scope can be reduced to bring the cost within 105 percent of the Phase I Cost Estimate or if additional funding will be provided for Phase I.

(a) If the parties agree to reduce the scope and FDOT successfully negotiates with the prospective contractor for a reduction in scope and price, FDOT shall enter into the guaranteed maximum design-build or other firm-fixed price contract for Phase I.

(b) If the parties agree to provide additional funding, each party agreeing to provide additional funds shall distribute a written offer to increase its Phase I funding (specifying the amount) to each of the other parties. Upon circulation of funding offers equal to the amount of the difference specified in the notice provided by FDOT, the offers shall be deemed accepted by the parties and made a part of this Interlocal Funding Agreement. FDOT shall then enter into the guaranteed maximum design-build or other firm-fixed price contract for Phase I.

(c) If the parties cannot agree upon a reduction in scope, FDOT is unable to successfully negotiate with the prospective contractor for a reduction in scope and price, and Phase I funding offers equal to the amount of the difference specified in the notice provided by FDOT are not circulated within forty-five days of the notice provided by FDOT, this Interlocal Funding Agreement may be terminated pursuant to Section 6.02(B)(4) of the Interlocal Operating Agreement.

(B) FDOT shall procure and contract for Phase II of the Commuter Rail System in accordance with the provisions of the Interlocal Operating Agreement, as soon as practicable after FTA
approves FDOT's entry into the final design process for Phase II. If in the event that FTA does not approve FDOT's entry into the final design process for Phase II, or in the event that funding for the Commuter Rail System has not been included in the President's budget prior to July 31, 2008, or in the event that Phase II does not proceed through construction and Commissioning, FDOT, and the Local Government Partners agree to discuss the impacts and renegotiate this Interlocal Funding Agreement.

(C) The parties recognize and agree that due to changed circumstances, increases in the cost of constructing and implementing the Commuter Rail System may need to occur following award of the guaranteed maximum design-build or other firm-fixed price contract. If the amount is such that it will not result in a cumulative increase of the contract price to more than 105 percent of the Phase I Cost Estimate, FDOT agrees to pay 50 percent of the difference and the Phase I Construction Contribution for each Local Government Partner shall be increased proportionately and paid within forty-five calendar days of notification from the Department. If the amount is such that it will result in a cumulative increase of the contract price to more than 105 percent of the Phase I Cost Estimate, FDOT will notify the Local Government Partners of the need and amount of the proposed increase in writing. The parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to determine whether the increase can be reduced, or if additional funding will be provided, or other appropriate course of action. Notwithstanding the foregoing, unless otherwise agreed by the FDOT and the Local Government Partners, the maximum contribution that the Local Government Partners will be obligated to make towards constructing Phase I will be 105 percent of the Phase I Cost Estimate and the payments to be made by the Local Government Partners under this subparagraph (C) will be limited by that total maximum contribution.

SECTION 4.03. FDOT BOND DEBT SERVICE.

(A) FDOT shall issue FDOT Fixed-Guideway Bonds pursuant to Section 215.615, Florida
Interlocal Funding Agreement 7/5/07

Statutes, bearing interest at fixed rates consistent with prevailing market rates and having substantially equal annual Debt Service payments, in a total principal amount sufficient to fund FDOT's reasonable transaction costs (estimated at $1,170,000) and yield $173,000,000 of net proceeds to fund acquisition of the Corridor and relocate the Taft Yard Facility.

(B) Following expiration of the FDOT Funding Period, each Local Government Partner shall be responsible for paying its "Share of FDOT Bond Debt Service," which shall be computed by multiplying the Debt Service for each Interest Payment Date (reduced by the proceeds of any Commuter Rail System assets, as set forth in Section 3.04 of the Interlocal Operating Agreement) by the Local Government Partner's percentage of track miles, as shown in the following tables.

### Before Phase II Opens for Service

<table>
<thead>
<tr>
<th>Local Government Partner</th>
<th>Track Miles</th>
<th>Percentage of Track Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>9.10 miles</td>
<td>27.9656 percent</td>
</tr>
<tr>
<td>Seminole County</td>
<td>16.44 miles</td>
<td>50.5224 percent</td>
</tr>
<tr>
<td>County of Volusia</td>
<td>1.50 miles</td>
<td>4.6097 percent</td>
</tr>
<tr>
<td>City of Orlando</td>
<td>5.50 miles</td>
<td>16.9023 percent</td>
</tr>
</tbody>
</table>

### After Phase II Opens for Service

<table>
<thead>
<tr>
<th>Local Government Partner</th>
<th>Track Miles</th>
<th>Percentage of Track Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>16.30 miles</td>
<td>26.9243 percent</td>
</tr>
<tr>
<td>Osceola County</td>
<td>9.60 miles</td>
<td>15.8573 percent</td>
</tr>
<tr>
<td>Seminole County</td>
<td>16.44 miles</td>
<td>27.1556 percent</td>
</tr>
<tr>
<td>County of Volusia</td>
<td>12.70 miles</td>
<td>20.9779 percent</td>
</tr>
<tr>
<td>City of Orlando</td>
<td>5.50 miles</td>
<td>9.0849 percent</td>
</tr>
</tbody>
</table>

(C) Each Local Government Partner shall pay its respective Share of FDOT Bond Debt Service on each Interest Payment Date by wire transfer in immediately available funds in accordance with written instructions provided to the Local Government Partners by FDOT. Unless otherwise agreed to by FDOT, no Federal funds shall be used for these payments.

(D) Each Local Government Partner understands and agrees that its commitment to pay its
respective Share of FDOT Bond Debt Service shall survive any termination of the Interlocal Operating Agreement or the discontinuance of any service as provided for in the Interlocal Operating Agreement, unless otherwise agreed in writing by FDOT.

SECTION 4.04. COVENANT TO BUDGET AND APPROPRIATE.

(A) Each Local Government Partner hereby covenants and agrees to appropriate in its annual budget for each Fiscal Year, by amendment, if necessary, from Non-Ad Valorem Funds lawfully available in each Fiscal Year, amounts required to pay its Initial Capital Contribution and its Share of FDOT Bond Debt Service for each such Fiscal Year. Each Local Government Partner's Funds shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Funds or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing, the Local Government Partners do not covenant to maintain any services or programs, now provided or maintained by such Local Government Partners which generate Non-Ad Valorem Funds.

(B) The foregoing covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Funds, nor does it preclude a Local Government Partner from pledging its Non-Ad Valorem Funds in the future, nor does it require a Local Government Partner to levy and collect any particular Non-Ad Valorem Funds, nor does it give the parties to this Interlocal Funding Agreement a prior claim on the Non-Ad Valorem Funds as opposed to claims of general creditors of the Local Government Partner. The covenant to appropriate Non-Ad Valorem Funds is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Funds heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making Non-Ad Valorem Funds available for the
payment of amounts described in this Section, in the manner described in this Interlocal Funding Agreement and placing on each Local Government Partner a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the provisions of general law which provide that the governing body of each county or municipality shall not make appropriations in a Fiscal Year which exceed the amount to be received from taxation or other revenue sources during such Fiscal Year; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare, and safety of the inhabitants of the Local Government Partner or which are legally mandated by applicable law.

Commencing in the fiscal year immediately preceding the fiscal year in which the first Local Government Partners’ Contribution is due and continuing in each fiscal year thereafter, each Local Government Partner agrees that in preparing its annual budget it shall first provide for the Local Government Partner’s Contribution coming due in the next fiscal year prior to programming or encumbering funds for any new pay-as-you-go capital projects as part of its Capital Improvement Program; provided, however, that this restriction shall not apply to projects already in the proposed budget or in the Capital Improvement Plan, or to projects affecting public health, safety or welfare.

(C) No provision of this Interlocal Funding Agreement shall be considered a debt obligation of any Local Government Partner within the meaning of any constitutional or statutory provision or limitation. Amounts payable hereunder are limited obligations of each Local Government Partner and neither the property, the full faith and credit nor the taxing power of the Local Government Partners, the State of Florida or any political subdivision is pledged as security for the obligations due hereunder.

SECTION 4.05. FDOT FIXED-GUIDEWAY BOND REFUNDING. If at any time there appears to be a cost saving by refunding the FDOT Fixed-Guideway Bonds, FDOT and the Local Government Partners shall investigate and determine the extent of such savings, and FDOT shall agree
Interlocal Funding Agreement

7/5/07

to refund and reissue the bonds if substantial savings result therefrom. Refunding the FDOT Fixed-
Guideway Bonds shall neither increase the Debt Service becoming due in any Fiscal Year nor extend
the final maturity of the FDOT Fixed-Guideway Bonds. All transaction costs incurred by FDOT in
connection with any such refunding shall be paid from proceeds of the refunding bonds.

SECTION 4.06. FDOT ANNUAL APPROPRIATIONS. FDOT agrees to use its best
efforts to ensure that the Commuter Rail System remains in the FDOT’S annual Adopted Work
Program and to request appropriations from the Legislature all as necessary for FDOT to comply with
this Interlocal Funding Agreement and the Interlocal Operating Agreement. In addition, FDOT agrees
to not propose any subsequent new starts projects ahead of the Commuter Rail System and agrees to
not request appropriations from the Legislature for any subsequent new starts projects ahead of the
Commuter Rail System. Notwithstanding any other provision of this Interlocal Funding Agreement, in
compliance with Section 339.135(6)(a), Florida Statutes, the following language and provisions thereof
are hereby made a part of this Interlocal Funding Agreement:

FDOT, 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 prevent the making of contracts for periods exceeding 1
year, but any contract so made shall be executory only for the value of the services to be
rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be
incorporated verbatim in all contracts of the Department which are for an amount in excess of
$25,000.00 and which have a term for a period of more than 1 year.

ARTICLE V

GENERAL PROVISIONS

SECTION 5.01. TERM. This Interlocal Funding Agreement shall become effective when fully-executed copies of the Interlocal Governance Agreement, the Interlocal Operating Agreement and this Interlocal Funding Agreement have been filed with the clerk of the circuit court, or as otherwise required by law, for each of the Local Government Partners and shall expire upon agreement of the parties that payment in full of the amounts due to FDOT pursuant to Section 4.03 hereof has been accomplished and there otherwise is no need to continue having this Interlocal Funding Agreement effective.

SECTION 5.02. SERVICE POLICIES. To the extent permitted by law, the Local Government Partners agree not to adopt any policy or take any action that may substantially increase the cost of providing Commuter Rail System service (unless authorized by this Interlocal Funding Agreement) or adversely impact the Commuter Rail System service as a whole.

SECTION 5.03. RESOLUTION OF DISPUTES. It is the desire and intent of the parties to avoid, if possible, the expense and delay inherent in litigation; therefore, the Local Government Partners agree that whenever any individual party cannot resolve an issue with any other party, the affected parties will in engage in the alternative dispute resolution process described below prior to resorting to litigation.

(A) Any party may give another party written notice of any dispute not resolved in the normal course of business. Within ten business days after delivery of the notice, the receiving party shall submit to the disputing party a written response. The notice and the response shall include (1) a statement of the position of the party delivering the notice of dispute or the response, as the case may
be, and a summary of arguments supporting its position and (2) the name and title of the executive who
will represent that party in the negotiation to resolve the dispute and of any other person who will
accompany the executive.

(B) Within ten business days after delivery of the disputing party's notice, the executives of
both parties shall meet at a mutually acceptable time and place, and thereafter as often as they
reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information
made by one party to the other will be honored. In an effort to facilitate the negotiation process, such
executives may agree to have an unrelated third party moderate and facilitate the negotiations. If a
negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at
least three business days notice of such intention and may also be accompanied by an attorney.

(C) If the dispute has not been resolved within thirty calendar days after delivery of the
disputing party's notice, or if the parties fail to meet within twenty calendar days, either party may give
written notice to the other party declaring the negotiation process terminated.

(D) The parties regard the obligations to notify the other party of a dispute and to negotiate
such dispute pursuant to this Section as an essential provision of this Interlocal Funding Agreement and
one that is legally binding on each of them. In case of a violation of such obligation by either party, the
other may bring an action to seek enforcement of such obligation in any court of law having
jurisdiction thereof.

(E) Each party shall each bear its own costs and expenses incurred in connection with any
negotiations and dispute resolution.

(F) Upon failure to resolve any dispute in accordance in this Section 5.03, the parties may
engage in mediation, arbitration, or other dispute resolution processes at their discretion, or pursue
other legal remedies.
SECTION 5.04. NOTICES. Whenever this Interlocal Funding Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the content, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to and received by the party intended to receive it (A) by hand delivery to the person(s) hereinafter designated, or (B) by overnight hand delivery addressed as follows, or (C) through the United States Mail, postage prepaid, certified mail, return-receipt requested, or (D) delivered and received by facsimile telephone transmission or other electronic transmission (provided that an original of the electronically transmitted document is delivered within five (5) days after the document was electronically transmitted) upon the date so delivered to and received by the person to whom it is addressed at the address set forth opposite the party's name below:

<table>
<thead>
<tr>
<th>Party</th>
<th>Principal &amp; Address</th>
<th>With a copy to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>Orange County Administrator Post Office Box 1393 Orlando, Florida 32802-1393 Phone No. (407) 836-7370 Facsimile No. (407) 836-7399</td>
<td>Orange County Attorney Post Office Box 1393 Orlando, Florida 32802-1393 Phone No. (407) 836-7320 Facsimile No. (407) 836-5888</td>
</tr>
<tr>
<td>Osceola County</td>
<td>Osceola County Manager 1 Courthouse Square Suite 4700 Kissimmee, Florida 34741 Phone No. (407) 343-2385 Facsimile No. (407) 343-2391</td>
<td>Osceola County Attorney 1 Courthouse Square Suite 4200 Kissimmee, Florida 34741 Phone No. (407) 343-2330 Facsimile No. (407) 343-2353</td>
</tr>
<tr>
<td>Seminole County</td>
<td>Deputy County Manager Seminole County Services Building 1101 East First Street Sanford, Florida 32773 Phone: (407) 665-7212 Fax: (407) 665-7958</td>
<td>County Attorney Seminole County Services Building 1101 East First Street Sanford, FL 32771 Phone (407) 665-7254 Fax: (407) 665-7259</td>
</tr>
</tbody>
</table>
### Interlocal Funding Agreement

**Party** | **Principal & Address** | **With a copy to:**  <br>**County of Volusia**  <br>County Manager  <br>123 W. Indiana Avenue  <br>DeLand, Florida 32720  <br>Phone: (386)736-5920  <br>Fax: (386)822-5717  <br>  <br>County Attorney  <br>123 W. Indiana Avenue  <br>DeLand, Florida 32720  <br>Phone: (386)736-5950  <br>Fax: (386)736-5990  <br>  <br>**City of Orlando**  <br>Director of Transportation  <br>400 South Orange Avenue  <br>Orlando, Florida 32801  <br>Phone: (407) 246-3978  <br>Fax: (407) 246-3392  <br>  <br>Chief Administrative Officer  <br>400 South Orange Avenue  <br>Orlando, Florida 32801  <br>Phone: (407) 246-3091  <br>Fax: (407)246-3342  <br>  <br>**FDOT**  <br>District Five Secretary  <br>719 South Woodland Boulevard  <br>DeLand, Florida 32720  <br>Telephone: (386) 943-5476  <br>FAX: (386) 740-2675  <br>  <br>District Five General Counsel  <br>719 South Woodland Boulevard  <br>DeLand, FL 32720  <br>Telephone: (386) 943-5492  <br>FAX: (386) 736-5500  

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

**SECTION 5.05. ENFORCEMENT.** If any party initiates an action to enforce any provision of this Interlocal Funding Agreement or for damages by reason of an alleged breach of any provision hereof, FDOT and each Local Government Partner shall pay its own costs, and expenses, and attorneys' fees and costs incurred in connection with such action.

**SECTION 5.06. COUNTERPARTS.** This Interlocal Funding Agreement may be executed in multiple counterparts. Each such counterpart shall be deemed an original of this Interlocal Funding Agreement, so that in making proof of this Interlocal Funding Agreement, it shall only be necessary to produce or account for one such counterpart.

**SECTION 5.07. CONCURRENT AGREEMENTS.** This Interlocal Funding Agreement is...
being entered into in conjunction with the Interlocal Operating Agreement between FDOT and the Commission, and these two agreements, being pari materia, must be construed with reference to one another and neither agreement shall have precedence over the other. Furthermore, these two Agreements encompass all prior negotiations, correspondence, conversations, agreements, and understandings of the parties relating to the subject matter, supersede all prior understandings and agreements regarding the subject matter, and may not be amended, modified, or supplemented except by an instrument or instruments in writing executed by all of the parties.

SECTION 5.08. SEVERABILITY. In the event any one or more of the provisions contained in this Interlocal Funding Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Interlocal Funding Agreement shall be revised so as to cure such invalid, illegal or unenforceable provision to carry out as nearly as possible the original intent of the parties.

SECTION 5.09. CONTRACTUAL RELATIONSHIP. It is specifically understood and agreed that the relationship described in this Interlocal Funding Agreement between and among the Local Government Partners is contractual in nature and is not to be construed to create a partnership or joint venture or agency relationship among the parties. Nor, shall FDOT and individual Local Government Partners be liable for any debts or liabilities incurred by the other parties to this Interlocal Funding Agreement except as provided herein, or for non-commuter rail service operations or activities.

SECTION 5.10. GOVERNING LAW AND VENUE. This Interlocal Funding Agreement and all agreements entered into in connection with the transactions contemplated by this Interlocal Funding Agreement are, and will be, executed and delivered, and are intended to be performed in Orange County, Osceola County, Seminole County and the County of Volusia. The laws of Florida
shall govern the validity, construction, enforcement, and interpretation of this Interlocal Funding Agreement. In the event of litigation among the parties hereto, their successors or assigns, with regard to this Interlocal Funding Agreement and any subsequent supplementary agreements or amendments, venue shall lie exclusively in the county where the administrative offices of the Commuter Rail System are located.

SECTION 5.11. FURTHER ASSURANCES. Each party agrees to perform any further acts and to sign and deliver any further documents that may be reasonably necessary to carry out the provisions of this Interlocal Funding Agreement.

EXECUTED by the following to be effective upon the date as herein provided:

By and For Orange County:

By: Board of County Commissioners

By: Richard T. Crotty
Orange County Mayor

Attest: Martha O. Haynie, Orange County Comptroller
as Clerk of the Board of County Commissioners

By: Deputy Clerk
Print Name: ________________________________
By and For Osceola County:

IN WITNESS WHEREOF, the Board of County Commissioners of Osceola County, Florida, has caused this Interlocal Funding Agreement to be executed and delivered this ___ day of August, 2007.

OSCEOLA COUNTY, FLORIDA

By: ____________________________________________
    Chairman(SEAL)
    Board of County Commissioners

ATTEST:

________________________________________________________
Clerk to the Board of
County Commissioners
Interlocal Funding Agreement

By and For Seminole County:

MARYANNE MORSE
Clerk to the Board of
County Commissioners of
Seminole County, Florida.

For the use and reliance
of Seminole County only.

Approved as to form and
legal sufficiency.

County Attorney

BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA

By:_________________________, Chairman

Date:________________________

As authorized for execution by the Board
of County Commissioners at its ________,
200____, regular meeting.
By and For County of Volusia:

IN WITNESS WHEREOF, the County Council of the County of Volusia, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this ___ day of August, 2007.

ATTEST: COUNTY OF VOLUSIA

By: ________________ By: ____________________

Name: James T. Dinneen Name: Frank T. Bruno, Jr.

Title: County Manager/Clerk Title: Council Chair

Dated: ________________ Dated: ________________
Interlocal Funding Agreement

By and For City of Orlando:

IN WITNESS WHEREOF, the City Council of the City of Orlando, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this day of August, 2007.

CITY OF ORLANDO

By: ________________________________

Mayor / Mayor Pro Tem

ATTEST:

_______________________________
Alana C. Brenner, City Clerk

APPROVED AS TO FORM AND LEGALITY for the use and reliance of the City of Orlando, Florida, only.

_______________________________, 2007

Assistant City Attorney

Orlando, Florida

STATE OF FLORIDA

COUNTY OF ORANGE

PERSONALLY APPEARED before me, the undersigned authority, and Alana C. Brenner, well known to me and known by me to be Mayor and City Clerk, respectively, of the City of Orlando, Florida, and acknowledged before me that they executed the foregoing instrument on behalf of the City of Orlando as its true act and deed, and that they were duly authorized to do so.

WITNESS MY hand and official seal this __ day of __________, 2007.

Notary Public - State of Florida at Large

Print Name: ______________________________

My commission expires: ________________________________
Interlocal Funding Agreement

Date: ______

Secretary, District Five

Legal Review

Office of Comptroller

Date: 

Date: -------

Date: -------

Date: -------
APPENDIX A

MASTER GLOSSARY OF TERMS FOR CENTRAL FLORIDA COMMUTER RAIL SYSTEM AGREEMENTS

DEFINITIONS

As used in the Interlocal Governance Agreement, the Interlocal Operating Agreement and the Interlocal Funding Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Average Fare" means the average fare paid for passage on the Commuter Rail System, as calculated pursuant to Section 5.02(F) of the Interlocal Operating Agreement.

"Base Service" means commuter rail service provided in accordance with the standards set forth in Section 4.05 of the Interlocal Operating Agreement, as adjusted pursuant to Sections 4.06 and 4.07 of the Interlocal Operating Agreement.

"Boarding Share" means the share of passenger boardings computed for each Local Government Partner pursuant to Section 4.01(A) of the Interlocal Governance Agreement.

"Capital Cost" means costs properly attributable to the acquisition of the Station Property and the construction, installation and equipping of Phase I and Phase II under generally accepted accounting principles applicable to the Commuter Rail System.

"Central Florida Operating and Management Agreement" means that certain Central Florida Operating and Management Agreement between CSXT and FDOT, in substantially the form attached to the Interlocal Operating Agreement as Appendix F, delineating the rights and responsibilities of FDOT and CSXT for the control, dispatch, operation, maintenance, and management of the Corridor and for freight and passenger rail service on the Corridor.

"Chief Executive Officer" means the chief executive officer of the Commuter Rail System appointed pursuant to Section 4.13(A) of the Interlocal Operating Agreement.
"Chief Operating Officer" means the chief operating officer of the Commuter Rail System appointed pursuant to Section 4.13(B) of the Interlocal Operating Agreement.

"City of Orlando" means the City of Orlando, a municipal corporation organized under the laws of the State of Florida.

"Commuter Rail System" means the Central Florida Commuter Rail Transit System, a Fixed Guideway Transit System that shall operate within the Corridor, as described in the Interlocal Operating Agreement.

"Commission" means the Central Florida Commuter Rail Commission created by the Interlocal Governance Agreement.

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

"Commuter Rail Easement" means the easement for use of the Corridor (including the Station Platforms), maintenance facility, layover facility, and other real property used or held for use by the Commuter Rail System, attached to the Interlocal Operating Agreement as Appendix D, which will be executed and delivered by FDOT to the Commission pursuant to Section 3.05(B) of the Interlocal Operating Agreement.

"Construction Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Construction in Section 4.01(B) of the Interlocal Funding Agreement.
"Contract for Sale and Purchase" means certain Contract for Sale and Purchase between CSXT and FDOT, in substantially the form attached to the Interlocal Operating Agreement as Appendix E, which, subject to certain conditions precedent, provides for acquisition of the Corridor by FDOT, subject to a retained perpetual easement for Rail Freight Services.

"Contract Operator" means a third-party, independent contractor or contractors procured to operate, maintain and dispatch the Commuter Rail System's commuter passenger trains and maintain the Corridor.

"Corridor" means the railroad corridor formerly known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles through which the Commuter Rail System will operate, as depicted in Appendix B. The term "Corridor" includes the Station Platforms.

"Corridor Access Management" means managing, directing, and controlling the occupation, use, and access to the Corridor in a manner consistent with freight and passenger rail services in accordance with this Interlocal Agreement and the Central Florida Operating and Management Agreement.

"County of Volusia" means the County of Volusia, a charter county and political subdivision of the State.

"CSXT" means CSX Transportation, Inc., a corporation organized and existing under the laws of the State of Virginia and authorized to do business in the State.

"Customer Advisory Committee" means the advisory committee created pursuant to Section 3.08 of the Interlocal Governance Agreement.
"Debt Service" means an amount equal to the sum of the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the FDOT Fixed-Guideway Bonds during each Fiscal Year of the Local Government Partners as such payments become due (provided that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments shall be deemed to become due in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration) during or prior to such Fiscal Year.

"Diesel Multiple Unit" means a steel wheel on steel rail transit vehicle that is self-propelled, with the capacity to operate independently and pull non-powered cars. The Commuter Rail System intends to utilize FRA compliant (49 CFR Part 238 specifications for compression testing) Diesel Multiple Units, which pass the FRA 800,000-pound structural buff load test and have the ability to run in mixed freight service on existing track.

"District Secretary" means the FDOT District Secretary for District 5, in which the Commuter Rail System is located.

"Extended Service" means the provision of service to any Station not listed in Appendix C to the Interlocal Operating Agreement.

"Expanded Service" means increased headways and service frequencies, additional peak and off peak service, additional night, weekend or Holiday service, special event service and other service increases.

"Farebox Revenue" means fares paid for passage on the Commuter Rail System.
"FDOT\" means the State of Florida Department of Transportation, an agency of the State of Florida.

"FDOT Fixed-Guideway Bonds\" means the debt obligations initially issued by FDOT to acquire the Corridor and relocate the Taft Yard Facility, as described in Section 4.03(A) of the Interlocal Funding Agreement and any obligations issued for purposes of refunding pursuant to Section 4.05 of the Interlocal Funding Agreement.

"FDOT Funding Period\" means the period commencing on the Revenue Operation Date and ending on the first day of the calendar month following expiration a seven-year period, during which FDOT is obligated to fund operating deficits of the Commuter Rail System and Debt Service on the FDOT Fixed-Guideway Bonds.

"Final Design Contribution\" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Final Design in Section 4.01(B) of the Interlocal Funding Agreement.

"Fiscal Year\" means (A) during the FDOT Funding Period, the fiscal year for State government, which commences on July 1 and continues through the next succeeding June 30, or (B) following expiration of the FDOT Funding Period, the fiscal year for county government, which commences on October 1 and continues through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for either level of government.

"Five-Year Capital Plan\" means a five-year capital plan for capital improvements to the Commuter Rail System including, but not limited to: new track materials and installation (including rails, ties, ballast, switches, fasteners, etc); bridge and culvert upgrades and replacements (supply, fabricate and install); signals and communications equipment upgrades and replacements; at-grade crossing improvements; vehicle storage and maintenance facility
improvements and equipment; maintenance of way equipment and vehicles: control center improvements; station improvements, amenities and equipment upgrades; fare collection equipment and upgrades; Diesel Multiple Unit upgrades; additional Diesel Multiple Units; and parking lot improvements and expansions.

"Fixed Guideway Transit System" means a system used for the transportation of people and goods by means of, without limitation, a street railway, an elevated railway having a fixed guideway, a commuter railroad, a subway, and includes a complete system of tracks, stations, and rolling stock necessary to effectuate passenger service to or from the neighboring regional communities.

"FRA" means the Federal Railroad Administration.

"FTA" means the Federal Transit Administration.

"FTA Funds" means Federal grant funds provided by FTA under the Full Funding Grant Agreement.

"Full Funding Grant Agreement" means the Full Funding Grant Agreement to be entered into by FTA and FDOT pursuant to 49 U.S.C. Section 5309, pursuant to which FTA will provide Federal funds for acquisition and construction of the Commuter Rail System.

"Funding Determination Year" means the 12-month period ending on March 31.

"Governing Board" means the governing body of the Commission established pursuant to Section 3.03 of the Interlocal Governance Agreement.

"Holiday" means a holiday designated by law (currently, Section 110.117, Florida Statutes) as paid holidays observed by all State branches and agencies.
"Initial Capital Contribution" means, for each Local Government Partner, the Preliminary Engineering Contribution, the Station Property Contribution, the Final Design Contribution and the Construction Contribution.

"Interest Payment Date" means the date on which each payment of principal and/or interest becomes due on the FDOT Fixed-Guideway Bonds.

"Interlocal Agreement" means this Interlocal Agreement for Development and Operation of the Central Florida Commuter Rail Transit System and Creation of the Central Florida Commuter Rail Commission, among Orange County, Osceola County, Seminole County, the County of Volusia, the City of Orlando and FDOT.

"Local Capital Cost" means the Capital Cost of implementing the Five-Year Capital Plan following expiration of the FDOT Funding Period, after deducting State and Federal contributions.

"Local Farebox Revenue" means the amount computed for each Local Government Partner pursuant to Section 4.01(C) of the Interlocal Governance Agreement.

"Local Government Partner" means Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando.

"Local Station Revenue" means any Station revenue described in Section 3.02(B) of the Interlocal Funding Agreement.

"Maintenance of Way" means those labor, materials and equipment that are required to maintain the Corridor, including but not limited to mowing, replacing and repairing ballast, replacing and repairing rails, signals and switches, undertaking minor bridge maintenance and performing other activities required to safely operate the rail service.
"Member" means a member of the Governing Board, as designated in Section 3.03 of the Interlocal Governance Agreement.

"Non-Peak Hours" means 5:00 a.m. – 5:30 a.m., 8:30 a.m. – 3:30 p.m. and 6:30 p.m. to midnight, Monday through Friday.

"Non-Ad Valorem Funds" shall mean all revenues of the Local Government Partner derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments required herein, but only after provision has been made by the Local Government Partner for the payment of all essential or legally mandated services; provided however, that unless otherwise agreed to by FDOT, the term "Non-Ad Valorem Funds does not include Federal funds.

"Operating Revenue Without Farebox" means Total Operating Revenue less Farebox Revenue.

"Orange County" means Orange County, a charter county and political subdivision of the State.

"Osceola County" means Osceola County, a charter county and political subdivision of the State.

"Peak Hours" means 5:30 a.m. – 8:30 a.m. and 3:30 p.m. – 6:30 p.m., Monday through Friday, excluding Holidays.

"Phase I" means acquisition of the Corridor and construction of the portion of the Commuter Rail System expected to be operational in 2009, as described in Appendix C to the Interlocal Operating Agreement.
"Phase I Cost Estimate" means $388,184,000, which includes the estimated cost of preliminary engineering for Phase I and Phase II, acquisition of Station Property for Phase I and Phase II, final design for Phase I and construction of Phase I.

"Phase II" means construction of the portion of the Commuter Rail System expected to be operational in 2013, as described in Appendix C to the Interlocal Operating Agreement.

"Phase II Cost Estimate" means $217,216,000, which includes the estimated cost of final design for Phase II and construction of Phase II.

"Preliminary Engineering Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Engineering in Section 4.01(B) of the Interlocal Funding Agreement.

"Rail Freight Service" means the transportation by rail of property and movable articles of every kind, character and description over the Corridor, as permitted under the perpetual easement retained by CSXT pursuant to the Contract for Sale and Purchase.

"Responsible Local Government Partner" means, with respect to Article V and Article VI hereof, the County within which a Station is located, except that the Responsible Local Government Partner shall mean the City of Orlando (and not Orange County) with respect to any Station located within the jurisdiction of the City of Orlando.

"Revenue Operation Date" means 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 and shall have the same meaning as used by the FTA.

"Seminole County" means Seminole County, a charter county and political subdivision of the State.
"Share of Local Capital Cost" means the amount computed for each Local Government Partner pursuant to Section 4.02(B) of the Interlocal Governance Agreement.

"Share of Local Operating Support" means the amount computed for each Local Government Partner pursuant to Section 4.01(D) of the Interlocal Governance Agreement.

"Share of Local Operating Support Without Farebox" means the amount computed for each Local Government Partner pursuant to Section 4.01(B) of the Interlocal Governance Agreement.

"Share of FDOT Bond Debt Service" means the amount computed for each Local Government Partner pursuant to Section 4.03(B) of the Interlocal Funding Agreement.

"State" means the State of Florida.

"State of Good Repair" means performance of all necessary maintenance, including preventative maintenance, replacement of all infrastructure components on a schedule consistent with their life expectancy, and compliance with all applicable FRA and FTA regulations.

"Station" means a commuter rail passenger station on the Commuter Rail System, including the commuter rail passenger stations listed in Appendices C, D and E of the Interlocal Operating Agreement and any additional commuter rail passenger station added as Extended Service pursuant to Section 4.07 of the Interlocal Operating Agreement. The term "Station" includes the "Station Platform" and the "Station Property."

"Station Platform" means the Station loading platform located within the Corridor, including any improvements made thereto.

"Station Property" means the Station parking area and other Station property located outside the Corridor, including any improvements made thereto, that was acquired with Federal funds, proceeds of the Initial Capital Contributions of the Local Government Partners or as part
of the Five-Year Capital Plan. The term "Station Property" does not include any other property acquired by the Local Government Partners with their own funds.

"Station Property Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Station Property in Section 4.01(B) of the Interlocal Funding Agreement.

"System Net Revenue Without Farebox" means, for any Fiscal Year, the amount computed by deducting the budgeted Operating Revenue without Farebox from the budgeted Total Operating Cost.

"System Operating Deficit" means, for any Fiscal Year, the amount computed by deducting the Total Operating Revenue from the Total Operating Cost.

"Technical Advisory Committee" means the advisory committee created pursuant to Section 3.07 of the Interlocal Governance Agreement.

"Total Operating Cost" means all expenses incurred in connection with operation and maintenance of the Commuter Rail System including, but not limited to, the following: (A) during the FDOT Funding Period, the cost for FDOT staff and contractors working for the Commuter Rail System, including indirect costs computed in accordance with a cost allocation plan meeting FRA and FTA requirements; (B) payments made to the Contract Operator; (C) the direct cost of Corridor Access Management; (D) the direct cost for Maintenance of Way; (E) the cost to maintain the Commuter Rail System's rolling stock, including the "capital maintenance cost," as defined in the agreement with the Contract Operator; (F) the direct cost to insure and provide risk management for the Commuter Rail System; (G) during the FDOT Funding Period, the cost incurred by FDOT, including indirect costs computed in accordance with an indirect cost allocation plan meeting FRA and FTA requirements; and (H) any other cost directly related to
the Commuter Rail System. The term "Total Operating Cost" does not include Debt Service on the FDOT Fixed-Guideway Bonds or expenses related to operation of the Station Property. During the FDOT Funding Period, the term "Total Operating Cost" does not include any cost associated or incurred by the Local Government Partners or other governmental entities regarding the Commission, Governing Board, Technical Advisory Committee or Customer Advisory Committee.

"Total Operating Revenue" means all revenues arising from the operation of the Commuter Rail System including, but not limited to, (A) revenue generated by and received from freight railroads operating on the Corridor (including the car charge payable pursuant to the Central Operating and Management Agreement, (B) liquidated damages paid by the Contract Operator, (C) financial contributions by other entities in support of Commuter Rail System operations including, but not limited to Federal grant funds, (D) any other revenues arising as a result of the operation of Commuter Rail System, and (E) interest or investment earnings; provided however, that the term "Total Operating Revenue" does not include Local Station Revenue.
Exhibit A  
Appendix B  
Interlocal Governance Agreement for the Creation of the  
Central Florida Commuter Rail Commission, by and  
between Orange County, Osceola County, Seminole  
County, County of Volusia, and the City of Orlando  

INTERLOCAL GOVERNANCE AGREEMENT  
FOR  
CREATION OF THE  
CENTRAL FLORIDA COMMUTER RAIL COMMISSION  

By and Among  

ORANGE COUNTY, FLORIDA  

OSCEOLA COUNTY, FLORIDA  

SEMINOLE COUNTY, FLORIDA  

COUNTY OF VOLUSIA, FLORIDA  

AND  

CITY OF ORLANDO, FLORIDA
TABLE OF CONTENTS

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS .............................................................. 4
SECTION 1.02. RULES OF CONSTRUCTION ........................................ 4
SECTION 1.03. SECTION HEADINGS .................................................. 5

ARTICLE II
REPRESENTATIONS

SECTION 2.01. REPRESENTATIONS OF ORANGE COUNTY ...................... 6
SECTION 2.02. REPRESENTATIONS OF OSCEOLA COUNTY .................... 6
SECTION 2.03. REPRESENTATIONS OF SEMINOLE COUNTY ................... 7
SECTION 2.04. REPRESENTATIONS OF THE COUNTY OF VOLUSIA .......... 8
SECTION 2.05. REPRESENTATIONS OF THE CITY OF ORLANDO .......... 9

ARTICLE III
CREATION AND GOVERNANCE

SECTION 3.01. COMMUTER RAIL COMMISSION ................................... 10
SECTION 3.02. POWERS AND DUTIES OF THE COMMISSION ............... 10
SECTION 3.03. GOVERNING BOARD ............................................... 12
SECTION 3.04. GOVERNING BOARD CHAIR ..................................... 13
SECTION 3.05. MEETINGS, QUORUM AND VOTING .............................. 13
SECTION 3.06. POWERS AND DUTIES OF THE GOVERNING BOARD .......... 14
SECTION 3.07. TECHNICAL ADVISORY COMMITTEE ............................ 16
SECTION 3.08. CUSTOMER ADVISORY COMMITTEE .............................. 18
SECTION 3.09. PRIVILEGES AND IMMUNITIES FROM LIABILITY ............ 20
SECTION 3.10. SELF-INSURANCE RETENTION FUND ............................ 22
ARTICLE IV
COMMUTER RAIL SYSTEM FUNDING

SECTION 4.01. LOCAL OPERATING SUPPORT ..................................................... 25
SECTION 4.02. CAPITAL PLAN FUNDING .......................................................... 28
SECTION 4.03. COVENANT TO BUDGET AND APPROPRIATE ....................... 29

ARTICLE V
GENERAL PROVISIONS

SECTION 5.01. TERM ............................................................................................ 31
SECTION 5.02. TERMINATION ............................................................................. 31
SECTION 5.03. RESOLUTION OF DISPUTES ......................................................... 31
SECTION 5.04. NOTICES ....................................................................................... 32
SECTION 5.05. COUNTERPARTS ........................................................................ 35
SECTION 5.06. COMPLETE AGREEMENT ............................................................. 35
SECTION 5.07. SEVERABILITY ........................................................................... 35
SECTION 5.08. CONTRACTUAL RELATIONSHIP .................................................. 35
SECTION 5.09. GOVERNING LAW AND VENUE .................................................. 36
SECTION 5.10. FURTHER ASSURANCES ............................................................. 36

APPENDIX A MASTER GLOSSARY
INTERLOCAL GOVERNANCE AGREEMENT

THIS INTERLOCAL GOVERNANCE AGREEMENT is made and entered into by and among Orange County, a charter county and political subdivision of the State of Florida ("Orange County"), Osceola County, a charter county and political subdivision of the State of Florida ("Osceola County"), Seminole County, a charter county and political subdivision of the State of Florida ("Seminole County"), the County of Volusia, a charter county and political subdivision of the State of Florida ("County of Volusia") and the City of Orlando, a municipal corporation of the State of Florida (the "City of Orlando").

WITNESSETH:

WHEREAS, the State of Florida Department of Transportation ("FDOT") is undertaking the development and implementation of the Central Florida Commuter Rail Transit System (the "Commuter Rail System") running from DeLand in the County of Volusia through Seminole County and Orange County (including the City of Orlando) to Poinciana in Osceola County; and

WHEREAS, FDOT and CSX Transportation, Inc. ("CSXT") expect to enter into a Contract for Sale and Purchase which, subject to certain conditions precedent, provides for the acquisition (subject to a retained perpetual easement for Rail Freight Services) by FDOT from CSXT of the railroad corridor known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles, (the "Corridor") for the use of the Commuter Rail System; and

WHEREAS, FDOT and CSXT expect to enter into a Central Florida Operating and Management Agreement establishing operating windows for passenger rail and freight operations within the Corridor and providing for use and maintenance of the Corridor; and
WHEREAS, FDOT is in the process of making application to the Federal Transit Administration (FTA) and Congress for capital funds, commonly referred to as New Starts funding to provide a portion of the funds necessary for the planning, design, right-of-way acquisition and construction of the proposed commuter rail service on the Commuter Rail System; and

WHEREAS, Federal New Starts funding and other Federal funding will require a 50 percent match of Federal funds with state and local funds for capital costs, which will be shared among Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando (collectively, the "Local Government Partners") and FDOT in the manner set forth in the Interlocal Funding Agreement; and

WHEREAS, the Local Government Partners have agreed that the FDOT will be the agency responsible for the design, permitting and construction of the Commuter Rail System, and will be responsible for its funding, operation, management, and maintenance for a period of seven years (the "FDOT Funding Period") following the Revenue Operation Date (as hereinafter defined); and

WHEREAS, the Local Government Partners desire to create the Central Florida Commuter Rail Commission (the "Commission") to assume responsibility for funding, operation, management, and maintenance of the Commuter Rail System upon expiration of the FDOT Funding Period; and

WHEREAS, FDOT has agreed to convey an easement in the Corridor and fee title to the Station Property to the Commission in accordance with and under the conditions described in Section 3.05 of the Interlocal Operating Agreement between FDOT and the Commission; and
WHEREAS, the Commuter Rail System is contained in the Year 2025 Metroplan Orlando's Orlando Urban Area Transportation Study "Financially Constrained Network," and the 2025 Volusia County Long Range Transportation Plan; and

WHEREAS, implementation of the Commuter Rail System will result in overall social and environmental benefits, improve the quality of life in the state, stimulate economic growth, create new employment opportunities, and serve as a positive growth management catalyst; and

WHEREAS, the Commuter Rail System will greatly benefit all of the citizens of and visitors to the Central Florida region, and is needed in order to relieve traffic congestion, and provide transportation opportunities; and

WHEREAS, the Commuter Rail System will become an integral part of a Central Florida balanced transportation system and, with concurrent development of improvements to roadways and bus transit, will greatly enhance the mobility of the traveling public;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein and other valuable consideration, receipt of which is hereby acknowledged, the parties mutually undertake, promise and agree for themselves, their successors and assigns as follows:
ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in the Master Glossary of Terms for the Florida Commuter Rail System Agreements attached hereto as Appendix A and by the reference incorporated herein.

SECTION 1.02. RULES OF CONSTRUCTION. For the purposes of the interpretation, construction, administration, and implementation of this Interlocal Governance Agreement, unless otherwise stated in this Interlocal Governance Agreement, the following rules of construction shall apply:

(A) Words importing the singular number shall include the plural, and vice versa, unless the context clearly indicates to the contrary.

(B) In case of any difference of meaning or implication between the text of this Interlocal Governance Agreement and any caption, illustration, summary table or illustrative table, the text shall control.

(C) The word "shall" is mandatory, not discretionary; the word "may" is permissive and discretionary.

(D) The word "person" includes an individual, a corporation, a partnership, an incorporated association, or any other similar entity.

(E) Unless the context clearly indicates to the contrary, where a provision involves two or more items, conditions, provisions or events connected by the conjunction "and," "or" or "either . . . or," the conjunction shall be interpreted as follows:
(1) "and" indicates that all the connected terms, conditions, provisions or events shall apply;

(2) "or" indicates that the connected items, conditions, provisions or events may apply singly or in any combination; and

(3) "either . . . or" indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.

(F) The word "includes" shall not limit a term to the specific example but is intended to extend its meaning to all other instances or circumstances of like kind or character.

(G) The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Interlocal Governance Agreement; the term “heretofore” shall mean prior to execution of this Interlocal Governance Agreement.

(H) This Interlocal Governance Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Interlocal Governance Agreement.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Interlocal Governance Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Interlocal Governance Agreement nor affect its meaning, construction or effect.
ARTICLE II
REPRESENTATIONS

SECTION 2.01. REPRESENTATIONS OF ORANGE COUNTY. Orange County makes the following representations as the basis for the undertakings on the part of the other Local Government Partners herein contained:

(A) Orange County has duly authorized the execution and delivery of this Interlocal Governance Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Governance Agreement constitutes a valid and legally binding obligation of Orange County, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To Orange County's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of Orange County, threatened against or affecting Orange County, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Governance Agreement.

SECTION 2.02. REPRESENTATIONS OF OSCEOLA COUNTY. Osceola County makes the following representations as the basis for the undertakings on the part of the other Local Government Partners herein contained:

(A) Osceola County has duly authorized the execution and delivery of this Interlocal Governance Agreement and assuming the due authorization, execution and delivery by the other
parties hereto, this Interlocal Governance Agreement constitutes a valid and legally binding obligation of Osceola County, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To Osceola County's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of Osceola County, threatened against or affecting Osceola County, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Governance Agreement.

SECTION 2.03. REPRESENTATIONS OF SEMINOLE COUNTY. Seminole County makes the following representations as the basis for the undertakings on the part of the other Local Government Partners herein contained:

(A) Seminole County has duly authorized the execution and delivery of this Interlocal Governance Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Governance Agreement constitutes a valid and legally binding obligation of Seminole County, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To Seminole County's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the
best knowledge of Seminole County, threatened against or affecting Seminole County, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Governance Agreement.

SECTION 2.04. REPRESENTATIONS OF THE COUNTY OF VOLUSIA.

The County of Volusia makes the following representations as the basis for the undertakings on the part of the other Local Government Partners herein contained:

(A) The County of Volusia has duly authorized the execution and delivery of this Interlocal Governance Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Governance Agreement constitutes a valid and legally binding obligation of the County of Volusia, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To the County of Volusia's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of the County of Volusia, threatened against or affecting the County of Volusia, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Governance Agreement.
SECTION 2.05. REPRESENTATIONS OF THE CITY OF ORLANDO. The City of Orlando makes the following representations as the basis for the undertakings on the part of the other Local Government Partners herein contained:

(A) The City of Orlando has duly authorized the execution and delivery of this Interlocal Governance Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Governance Agreement constitutes a valid and legally binding obligation of the City of Orlando, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To the City of Orlando's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of the City of Orlando, threatened against or affecting the City of Orlando, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or which, in any way, would materially adversely affect the validity of this Interlocal Governance Agreement.
ARTICLE III
CREATION AND GOVERNANCE

SECTION 3.01. COMMUTER RAIL COMMISSION.

(A) The Local Government Partners hereby create and establish the "Central Florida Commuter Rail Commission," a legal entity and public body and a unit of local government, with all of the privileges, benefits, powers and terms provided for herein and by Section 163.01, Florida Statutes, and other applicable law, for the purpose of acquiring, constructing, operating and maintaining the Commuter Rail System.

(B) The creation and organization of the Commission and the fulfillment of its purposes are in all respects for the benefit of the State and the citizens of Orange County (including the City of Orlando), Osceola County, Seminole County and the County of Volusia. The Commission is performing an essential governmental function. All property of the Commission is and shall in all respects be considered to be public property, and the title to such property shall be held by the Commission for the benefit of the public. The use of such property shall be considered a public purpose, until disposed of upon such terms as the Governing Board may deem appropriate.

SECTION 3.02. POWERS AND DUTIES OF THE COMMISSION. The Commission shall have the following powers in addition to and supplementing any other privileges, benefits and powers granted by Section 163.01, Florida Statutes:

(A) To acquire, construct, operate and maintain the Commuter Rail System in the manner provided herein.

(B) To sue and be sued in its own name.
(C) To acquire, by purchase, gift, devise or otherwise, and to dispose of, real or personal property, or any estate therein.

(D) To lease, as lessor or lessee, to or from any person, firm, corporation, association or body, public or private, facilities or property of any nature for the use of the Commission to carry out any of the purposes authorized by this Interlocal Governance Agreement.

(E) To make and execute contracts or other instruments necessary or convenient to the exercise of its powers.

(F) To contract with one or more other public entities, including FDOT and the Local Government Partners, for the purpose of carrying out any of its powers and for that purpose to contract with such other public entity or entities for the purpose of financing such acquisitions, construction, and operations. Such contracts may provide for contributions to be made by each party thereto, for the division and apportionment of the expenses of such acquisitions and operations, and for the division and apportionment of the benefits, services, and products therefrom. Such contracts may contain such other and further covenants and agreements as may be necessary and convenient to accomplish the purposes hereof.

(G) To contract for the service of engineers, accountants, attorneys, rate consultants and other experts or consultants, and such other agents and employees as the Governing Board of the Commission may require or deem appropriate.

(H) To accomplish construction directly or by advertising for construction bids and letting contracts for all or any part of the construction of improvements to the Commuter Rail System to the lowest responsible and responsive bidder or rejecting any and all bids at its discretion; provided however, that the competitive bid requirement may be waived if (a) the Governing Board determines that emergency circumstances are present or (b) after consideration
of all available alternative materials and systems, the Governing Board determines that the specification of a sole material or system is justifiable based upon its design, cost, interchangeability or any other relevant factor.

(I) To exercise the power of eminent domain in the manner provided by law for the condemnation of private property for public use, to acquire title to such interest in real property as is necessary to the exercise of the powers herein granted.

(J) Subject to such provisions and restrictions as may be set forth herein and the rights of any third party, to sell or otherwise dispose of any Commuter Rail System assets, upon such terms as the Governing Board deems appropriate, if approved pursuant to Section 3.05(D) hereof.

(K) To apply for and accept grants, loans, and subsidies from any governmental entity for the acquisition, construction, operation or maintenance of the Commuter Rail System, and to comply with all requirements and conditions imposed in connection therewith.

(L) To the extent allowed by law, including Section 163.01, Florida Statutes, and to the extent required to effectuate the purposes hereof, to exercise all privileges, immunities and exemptions accorded FDOT, municipalities and counties of the State under the provisions of the constitution and laws of the State.

(M) To do all acts and things necessary or convenient for the conduct of its business in order to carry out the powers and duties provided in this Interlocal Governance Agreement.

SECTION 3.03. GOVERNING BOARD. All powers, privileges and duties vested in or imposed upon the Commission shall be exercised by a Governing Board comprised of the following five Members:
(A) the Orange County Mayor, or an Orange County Commissioner designated by the Orange County Mayor;
(B) an Osceola County Commissioner elected by the Osceola County Board of County Commissioners;
(C) a Seminole County Commissioner elected by the Seminole County Board of County Commissioners;
(D) a member of the Volusia County Council elected by the Volusia County Council;
and
(E) the Mayor of the City of Orlando, or an Orlando City Councilmember designated by the Mayor of the City of Orlando.

SECTION 3.04. GOVERNING BOARD CHAIR. At the beginning of its initial meeting, and the first quarterly meeting of each calendar year thereafter starting in 2009, the Governing Board shall elect a Chair, a Vice-Chair and a Secretary from amongst its Members. The Chair, Vice-Chair and Secretary shall rotate each year, beginning in 2009, to a different Local Government Partner's representative. Members shall not be prohibited from serving in these positions for more than one term, provided such terms are not successive.

SECTION 3.05. MEETINGS, QUORUM AND VOTING.

(A) The Governing Board shall meet regularly, but not less than quarterly, at its principal place of business, and establish rules of procedure for its meetings. All meetings shall be held in accordance with Section 286.011, Florida Statutes, and shall be duly noticed. Meeting minutes shall be kept, and provisions shall be made for receiving public comment at those meetings. If neither the Chair nor Vice-Chair attends a meeting at which a quorum is present, the Members present may elect one of their number to serve as Chair Pro-Tem for that meeting.
The Governing Board shall use "Roberts Rules of Order" for the conduct of the meetings, unless the Governing Board adopts other rules and procedures by which it will conduct meetings. Members of the Governing Board shall not be compensated for their service. The Chief Executive Officer of the Commission, or the Chief Executive Officer's designee, shall attend each meeting of the Governing Board.

(B) Three Members shall constitute a quorum.

(C) In the absence of a quorum, a majority of the Members present at any meeting may act to continue the meeting to any time and date specified in such action.

(D) Each Governing Board Member shall be entitled to one vote. Other than the matters identified in the following subsection (E), action of the Governing Board shall require an affirmative vote of not less than three Members.

(E) The following Governing Board actions shall require an affirmative vote of not less than four Members:

1. fare changes;
2. Expanded Service;
3. Extended Service;
4. any sale of Commuter Rail System assets;
5. charges for parking on Station Property;
6. fees for use of the Corridor by third parties.

SECTION 3.06. POWERS AND DUTIES OF THE GOVERNING BOARD.

(A) The Governing Board shall act as the governing body of the Commission and shall have the following powers and duties:
(1) To fix the time and place or places at which its regular meeting shall be held, and to call and hold special meetings.

(2) To make and pass rules, regulations, resolutions and orders not inconsistent with the Constitution of the United States or of the State, or with the provisions of Section 163.01, Florida Statutes, or this Interlocal Governance Agreement, necessary for the governance and management of the affairs of the Commission, for the execution of the powers vested in the Commission, and for carrying into effect the provisions of this Interlocal Governance Agreement.

(3) To fix the location of the principal place of business of the Commission and the location of all offices and departments.

(4) To prescribe a system of business administration and to establish the powers, duties and compensation of all employees; and to require and fix the amount of all official bonds necessary for the protection of the funds and property of the Commission.

(5) To appoint a Chief Executive Officer and Chief Operating Officer to administer the affairs and manage the staff of the Commission with Governing Board approval, and perform other administrative duties as directed by the Governing Board.

(6) To appoint a General Counsel, if deemed necessary, to act as the chief legal officer of the Commission, manage the Commission's legal representation and employ necessary legal staff with Governing Board approval, provide legal advice and support to the Governing Board, Chief Executive Officer, Chief Operating Officer and Commission staff, and perform such other duties as directed by the Governing Board.
(B) Notwithstanding any other provision of this Interlocal Governance Agreement to the contrary:

(1) the Commission shall be obligated to comply with the terms of the Interlocal Operating Agreement and enforce the terms of the Interlocal Operating Agreement against FDOT;

(2) the Commission shall not be authorized to approve or execute any amendment to the Interlocal Operating Agreement unless written consent to such amendment has been received from all Local Government Partners; and

(3) the Commission shall not reduce Base Service to selected Stations and any such reduction shall be system-wide.

(C) The exercise of any and all executive, administrative and ministerial powers may be delegated by the Governing Board to FDOT, the Chief Executive Officer, the Chief Operating Officer and the General Counsel.

SECTION 3.07. TECHNICAL ADVISORY COMMITTEE.

(A) The Governing Board shall establish a Technical Advisory Committee to provide technical assistance to the Governing Board and the FDOT. The Technical Advisory Board shall consist of a single staff representative of FDOT, each Local Government Partner, each municipality that has a Station within its corporate limits and is not a Local Government Partner (as of the date hereof, these municipalities are DeLand, DeBary, Sanford, Lake Mary, Longwood, Altamonte Springs, Maitland, Winter Park and Kissimmee), VOTRAN, LYNX, Metroplan Orlando, and the Volusia County Metropolitan Planning Organization. The staff representatives shall be designated by the chief executive officer of each such entity, and shall serve without compensation from FDOT or the Commission.
(B) At the beginning of each calendar year, the Technical Advisory Committee shall elect a Chair from amongst its members. With the exception of the FDOT employees and contractors, who shall not be permitted to be Chair or Vice-Chair, the Chair shall rotate each year to a different Local Government Partner's representative. A Vice-Chair and Secretary shall also be elected annually from among the representatives of different Local Government Partners. There is no prohibition from serving in these positions for more than one term, provided such terms are not successive.

(C) The Technical Advisory Committee shall meet regularly, but not less than quarterly, or upon request of the Governing Board in the jurisdiction of one of the Local Government Partners. All meetings shall be held in accordance with Section 286.011, Florida Statutes, and shall be duly noticed. Meeting minutes shall be kept, and provisions shall be made for receiving public comment at those meetings. A majority of the members shall constitute a quorum. In the absence of a quorum, a majority of the members present at any meeting may act to continue the meeting to any time and date specified in such action. If neither the Chair nor Vice-Chair attends a meeting at which a quorum is present, the members present may elect one of their number to serve as Chair Pro-Tem for that meeting. The Technical Advisory Committee shall use "Roberts Rules of Order" for the conduct of the meetings, unless the Technical Advisory Committee adopts other rules and procedures by which it will conduct meetings. Members of the Technical Advisory Committee shall not be compensated for their service. The Chief Executive Officer of the Commission, or the Chief Executive Officer's designee, shall attend each meeting of the Technical Advisory Committee.

(D) Major policy issues shall first be submitted to the Technical Advisory Committee for a recommendation. The Governing Board Chair shall determine whether an issue is a "major
policy issue" that needs to first be submitted to the Technical Advisory Committee; provided however, that the determination shall be made by the FDOT Secretary in consultation with the Governing Board Chair during the FDOT Funding Period. The Technical Advisory Committee shall also meet to review short-term and long-term operating plans, and the annual budget prior to the budget being submitted to the Governing Board. The Technical Advisory Committee shall act in an advisory capacity only. During the FDOT Funding Period, the Technical Advisory Committee shall have no advisory or recommendation authority over Commuter Rail System procurement issues.

SECTION 3.08. CUSTOMER ADVISORY COMMITTEE.

(A) The Governing Board shall establish a Customer Advisory Committee to provide advice and recommendations to the Governing Board and FDOT. The Customer Advisory Committee shall be comprised of people who use the Commuter Rail System on a regular basis, meaning at least three days a week during a typical week. The Customer Advisory Committee shall be established within one year of the start of revenue operations for Phase I. At that time, the Customer Advisory Committee shall consist of eight members: two customers who reside in Volusia County; two customers who reside in Seminole County; two customers who reside in Orange County and two customers who reside in the City of Orlando. Within one year of the start of revenue operations for Phase II, the Customer Advisory Committee membership shall be expanded to ten members by adding two customers who reside in Osceola County. Appointments shall be made by the respective Local Government Partners and be ratified by the Governing Board. Local Government Partners shall be encouraged to make appointments such that the Customer Advisory Committee is comprised of a diverse group of customers; the ultimate responsibility for ensuring diversity on the Customer Advisory Committee rests with the
Governing Board. Appointments shall be made for a one-year term, although Local Government Partners reserve the right to revoke the appointment if there is a change in residency, if the person does not continue to use the system on a regular basis or if responsibilities are not fulfilled. People may serve on the Customer Advisory Committee for up to three consecutive years, subject to re-appointment by the respective Local Government Partner and ratification by the Governing Board. If someone who is appointed to the Customer Advisory Committee does not continue as a customer on a regular basis, he or she will be expected to notify the respective Local Government Partner and submit a letter of resignation. If a Customer Advisory Committee member misses two consecutive meetings of the Customer Advisory Committee, the appointing Local Government Partner will be notified and asked to consider replacing the member. Members shall serve without compensation.

(B) When the Customer Advisory Committee is first established, it shall elect a Chair from amongst its members to serve a one-year term. The Chair shall rotate each year to a representative from a different Local Government Partner. A Vice-Chair shall also be elected annually and shall represent a Local Government Partner different from the Chair. The Commuter Rail System shall provide the Customer Advisory Committee with appropriate staff support to handle notification of meetings, agenda development, preparing meeting minutes, research, reporting and other necessary services.

(C) The Customer Advisory Committee shall meet quarterly or upon request of the Governing Board. All meetings shall be held in accordance with Section 286.011, Florida Statutes and shall be duly noticed. Meeting minutes shall be kept and provisions shall be made for receiving public comments at meetings. A majority of the members shall constitute a quorum. In the absence of a quorum, a majority of the members present at any meeting may act
to continue the meeting to any time and date specified in such action. If neither the Chair nor Vice Chair attends a meeting at which a quorum is present, the members present may elect a member to serve as Chair Pro-Tem for that meeting. The Customer Advisory Committee shall use "Roberts Rules of Order" to conduct their meetings, unless the Customer Advisory Committee adopts other rules and procedures by which it will conduct meetings. The Chief Executive Officer of the Commission, or the Chief Executive Officer's designee, shall attend each meeting of the Customer Advisory Committee.

(D) Matters relating to customer service (including, but not limited to, the annual budget, levels of service, schedules, quality of service, Station access/egress features and services, fare policy, customer information, methods of handling customer commendations and complaints, and marketing) will generally be discussed and/or reviewed by the Customer Advisory Committee and a recommendation developed for the Governing Board before action is taken. The Governing Board Chair reserves the right to determine whether a matter needs to be submitted first to the Customer Advisory Committee; provided however, the determination shall be made by the FDOT Secretary in consultation with the Governing Board Chair during the FDOT Funding Period. The Customer Advisory Committee shall have no advisory or recommendation authority over Commuter Rail System procurement issues. The Customer Advisory Committee shall act in an advisory capacity only. Minutes from Customer Advisory Committee meetings will be provided to the Governing Board on a regular basis.

SECTION 3.09. PRIVILEGES AND IMMUNITIES FROM LIABILITY.

(A) The Local Government Partners and the Commission expressly retain all rights, benefits, immunities of sovereign immunity and limitations of liability in accordance with Florida Statutes, including but not limited to, Section 163.01(9)(C) and Section 768.28. The
Local Government Partners and the Commission expressly retain all rights, benefits, immunities, and limitations of liability in accordance with Chapter 49 U.S.C.A Section 28013. Unless expressly stated in this Interlocal Governance Agreement to the contrary and only to the extent and manner set forth, nothing in this Interlocal Governance Agreement shall be deemed as a waiver of either sovereign immunity or the limits of liability of the Local Government Partners and the Commission beyond any statutory limited waiver of sovereign immunity or limits of liability which may have been adopted by the Florida Legislature or may be adopted by the Florida Legislature and nothing is this Interlocal Governance Agreement shall be deemed a waiver of any immunity or limits of liability which may be available under federal law. Nothing in this Interlocal Governance Agreement shall inure to the benefit of any third party for the purpose of allowing any claim against the Local Government Partners or the Commission which would otherwise be barred under the doctrine of sovereign immunity or by operation of state or federal law.

(B) The Local Government Partners further expressly intend that all of the privileges and immunities from liability; exemptions from laws, ordinances, and rules; and pension and relief, disability, and worker's compensation, and other benefits which apply to the activity of officers, agents, employees, or employees of agents of the Local Government Partners shall apply to the same degree and extent to the officers, agents, or employees of the Commission.

(C) Unless otherwise further limited by state or federal law, the cap on the amount and liability of the Local Government Partners for funding the budget of the Commission for any payment for damages for third party claims or indemnification claims under the Central Florida Operating and Management Agreement in any Fiscal Year of the Local Government Partners regardless of the number or nature of claims or whether such claim sounds in tort, equity or
contract shall not exceed (1) the amounts payable by each Local Government Partner to fund the initial self-insurance fund pursuant to Section 3.10 hereof and (2) each Local Government Partner's Share of Local Operating Support payable pursuant to Section 4.01 hereof, which may be applied by the Commission to replenish the self-insurance fund.

SECTION 3.10. SELF-INSURANCE RETENTION FUND.

(A) The transition and implementation plan developed by the Governing Board pursuant to Section 6.03(B) of the Interlocal Operating Agreement shall include a risk management and self-insurance program for the Commuter Rail System which shall be consistent with the provisions of this Section 3.10 and the Interlocal Operating Agreement.

(B) Following expiration of the FDOT Funding Period, the Commission will become responsible for operation of the Commuter Rail System pursuant to Section 4.01 of the Interlocal Operating Agreement. In connection therewith, FDOT will convey the Commuter Rail Easement, Station Property and other assets of the Commuter Rail System to the Commission and the Commission will assume responsibility for compliance with the Central Florida Operating and Maintenance Agreement pursuant to Section 3.05 of the Interlocal Operating Agreement.

(C) Section 21 of the Central Florida Operating and Maintenance Agreement will require the Commission to maintain liability insurance covering CSXT as a named insured with a limit of not less than $200,000,000 combined single limit for personal injury and property damage per occurrence, with deductibles or self-insured amounts not in excess of $5,000,000. FDOT has determined that currently a $5,000,000 deductible or self-insured retention will result in the most cost effective insurance program and, upon enactment of legislation accomplishing the intent and purposes of the draft set forth in Appendix G to the Interlocal Operating Agreement.
Agreement, FDOT will establish a self-insurance fund meeting the requirements of Section 21 of the Central Florida Operating and Maintenance Agreement and Florida law.

(D) Not later than thirty days prior to expiration of the FDOT Funding Period, each Local Government Partner shall pay to the Commission for deposit into a self-insurance fund, the percentage of $5,000,000 (or any lower deductible or self-insured retention amount consistent with the liability insurance to be obtained by the Commission following the FDOT Funding Period) equal to the percentage Share of Local Operating Support for which each Local Government Partner would have been responsible during the immediate prior Fiscal Year if such Fiscal Year had occurred following expiration of the FDOT Funding Period.

(E) If FTA has not approved FDOT's entry into the final design process for Phase II or funding for Phase II has not been included in the President's budget prior to the date on which such contributions are due, Osceola County shall not be required to make a payment pursuant to subsection (D). The amount otherwise payable by Osceola County pursuant to subsection (D) shall be allocated among the other Local Government Partners in the same proportion as the payments required of the Local Government Partners by subsection (D) and the other Local Government Partner's payments shall be increased accordingly.

(F) Upon satisfaction of the two conditions described in subsection (E), Osceola County shall pay to the Commission the amount that would otherwise have been required by subsection (D). Amounts equal to the increased payments required by subsection (E) shall be refunded to the other Local Government Partners from the self-insurance fund.

(G) Replenishment of the self-insurance fund by the Commission shall be included in the Total Operating Cost for the Commuter Rail System in accordance with the risk management
and self-insurance program for the Commuter Rail System which shall be consistent with the provisions of this Section 3.10 and the Interlocal Operating Agreement.
ARTICLE IV
COMMUTER RAIL SYSTEM FUNDING

SECTION 4.01. LOCAL OPERATING SUPPORT. Following expiration of the FDOT Funding Period, each Local Government Partner shall be responsible for paying its Share of Local Operating Support for each Fiscal Year, which shall be computed as follows:

(A) The "Boarding Share" for each Local Government Partner shall be computed as follows:

1. The total number of passengers embarking and disembarking from Stations located within the jurisdiction of a Local Government Partner during the most recent Funding Determination Year shall be divided by the total number passengers embarking and disembarking from all Commuter Rail System Stations for the same period.

2. The total number of passengers embarking and disembarking during Peak Hours from Stations located within the jurisdiction of a Local Government Partner during the most recent Funding Determination Year shall be divided by the total number passengers embarking and disembarking during Peak Hours from all Commuter Rail System Stations during the same period.

3. The Boarding Share for each Local Government Partner shall be equal to the arithmetic average of the shares computed in clauses (1) and (2). For purposes of computing Boarding Shares, Stations located within the jurisdiction of the City of Orlando shall be excluded from Stations located within the jurisdiction of Orange County.
(B) The "Share of Local Operating Support Without Farebox" for each Local Government Partner shall be computed by multiplying the Local Government Partner's Boarding Share by the System Net Revenue Without Farebox.

(C) The "Local Farebox Revenue" for each Local Government Partner shall be computed by multiplying its Boarding Share by the total number passengers embarking and disembarking from all Commuter Rail System Stations during the most recent Funding Determination Year, and multiplying the result by the Average Fare for the same period.

(D) The "Share of Local Operating Support" for each Local Government Partner shall be computed by deducting its Farebox Revenue from its Share of Local Operating Support Without Farebox.

(E) The Commission shall prepare and submit a quarterly invoice to each individual Local Government Partner, in advance, for its respective Share of Local Operating Support. Invoices shall be submitted not later than sixty days prior to the beginning of each calendar quarter and payment shall be made within forty-five days after receipt of the invoice.

(F) Subject to the provisions contained in the following subsection (G), the Local Government Partners' collective annual obligation to fund the System Operating Deficit shall be limited to the following amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>System Operating Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$7,786,000.00</td>
</tr>
<tr>
<td>2018</td>
<td>$6,895,000.00</td>
</tr>
<tr>
<td>2019</td>
<td>$6,804,000.00</td>
</tr>
<tr>
<td>2020</td>
<td>$7,225,000.00</td>
</tr>
<tr>
<td>2021</td>
<td>$7,128,000.00</td>
</tr>
<tr>
<td>2022</td>
<td>$7,574,000.00</td>
</tr>
<tr>
<td>2023</td>
<td>$7,471,000.00</td>
</tr>
<tr>
<td>Year</td>
<td>System Operating Deficit</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>2024</td>
<td>$7,944,000.00</td>
</tr>
<tr>
<td>2025</td>
<td>$7,835,000.00</td>
</tr>
<tr>
<td>2026</td>
<td>$7,336,000.00</td>
</tr>
<tr>
<td>2027</td>
<td>$8,219,000.00</td>
</tr>
<tr>
<td>2028</td>
<td>$8,750,000.00</td>
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<tr>
<td>2029</td>
<td>$8,627,000.00</td>
</tr>
<tr>
<td>2030</td>
<td>$9,189,000.00</td>
</tr>
<tr>
<td>2031</td>
<td>$9,058,000.00</td>
</tr>
<tr>
<td>2032</td>
<td>$9,653,000.00</td>
</tr>
<tr>
<td>2033</td>
<td>$9,514,000.00</td>
</tr>
<tr>
<td>2034</td>
<td>$9,996,000.00</td>
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<tr>
<td>2035</td>
<td>$10,145,000.00</td>
</tr>
<tr>
<td>2036</td>
<td>$10,665,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$168,811,000.00</td>
</tr>
</tbody>
</table>

The foregoing amounts are based on the State Fiscal Year, which is from July 1 to June 30. For a unit of government with a different fiscal year, these amounts shall be pro-rated to establish an equivalent amount for the time period of its Fiscal Year.

(G) Annual funding in excess of the amounts specified in subsection (F) shall only be required:

1. with unanimous written consent of the Local Government Partners, or
2. if one or more Local Government Partners agree in writing to fund the difference between the amount specified in the foregoing subsection (F) and the System Operating Deficit.

(H) If the Base Service cannot be adjusted pursuant to Section 4.06 of the Interlocal Operating Agreement to reduce the System Operating Deficit below the amounts specified in subsection (F) and the Local Government Partners do not agree to provide additional funding
pursuant to subsection (G), the Commission shall terminate the Commuter Rail System pursuant to Section 6.02(B)(6) of the Interlocal Operating Agreement.

SECTION 4.02. CAPITAL PLAN FUNDING.

(A) The cost of implementing the Five-Year Capital Plan during the FDOT Funding Period shall be paid by FDOT.

(B) Following expiration of the FDOT Funding Period, each Local Government Partner shall be responsible for paying its Share of Local Capital Cost for each Fiscal Year, which shall be computed by multiplying the Capital Cost of the Five-Year Capital Plan for such Fiscal Year by the Local Government Partner's percentage of track miles, as shown in the following tables.

<table>
<thead>
<tr>
<th>Local Government Partner</th>
<th>Track Miles</th>
<th>Percentage of Track Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>9.10 miles</td>
<td>27.9656 percent</td>
</tr>
<tr>
<td>Seminole County</td>
<td>16.44 miles</td>
<td>50.5224 percent</td>
</tr>
<tr>
<td>County of Volusia</td>
<td>1.50 miles</td>
<td>4.6097 percent</td>
</tr>
<tr>
<td>City of Orlando</td>
<td>5.50 miles</td>
<td>16.9023 percent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Government Partner</th>
<th>Track Miles</th>
<th>Percentage of Track Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>16.30 miles</td>
<td>26.9243 percent</td>
</tr>
<tr>
<td>Osceola County</td>
<td>9.60 miles</td>
<td>15.8573 percent</td>
</tr>
<tr>
<td>Seminole County</td>
<td>16.44 miles</td>
<td>27.1556 percent</td>
</tr>
<tr>
<td>County of Volusia</td>
<td>12.70 miles</td>
<td>20.9779 percent</td>
</tr>
<tr>
<td>City of Orlando</td>
<td>5.50 miles</td>
<td>9.0849 percent</td>
</tr>
</tbody>
</table>

(C) The Commission shall prepare and submit a quarterly invoice to each individual Local Government Partner, in advance, for its respective Share of Local Capital Costs. Invoices shall be submitted not later than sixty days prior to the beginning of each calendar quarter and payment shall be made within forty-five days after receipt of the invoice.
SECTION 4.03. COVENANT TO BUDGET AND APPROPRIATE.

(A) Each Local Government Partner hereby covenants and agrees to appropriate in its annual budget for each Fiscal Year, by amendment, if necessary, from Non-Ad Valorem Funds lawfully available in each Fiscal Year, amounts required to pay its Share of Local Operating Support for such Fiscal Year and the self-insurance fund contribution required by Section 3.10 hereof. Each Local Government Partner's covenant and agreement to budget and appropriate such amounts of Non-Ad Valorem Funds shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Funds or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing, the Local Government Partners do not covenant to maintain any services or programs, now provided or maintained by such Local Government Partners which generate Non-Ad Valorem Funds.

(B) The foregoing covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Funds, nor does it preclude a Local Government Partner from pledging its Non-Ad Valorem Funds in the future, nor does it require a Local Government Partner to levy and collect any particular Non-Ad Valorem Funds, nor does it give the parties to this Interlocal Governance Agreement a prior claim on the Non-Ad Valorem Funds as opposed to claims of general creditors of the Local Government Partner. The covenant to appropriate Non-Ad Valorem Funds is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Funds heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making Non-Ad Valorem Funds available for the payment of amounts
described in this Section, in the manner described in this Interlocal Governance Agreement and placing on each Local Government Partner a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the provisions of general law which provide that the governing body of each county or municipality shall not make appropriations in a Fiscal Year which exceed the amount to be received from taxation or other revenue sources during such Fiscal Year; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Local Government Partner or which are legally mandated by applicable law.

(C) No provision of this Interlocal Governance Agreement shall be considered a debt obligation of any Local Government Partner within the meaning of any constitutional or statutory provision or limitation. Amounts payable hereunder are limited obligations of each Local Government Partner and neither the property, the full faith and credit nor the taxing power of the Local Government Partners, the State of Florida or any political subdivision is pledged as security for the obligations due hereunder.
ARTICLE V

GENERAL PROVISIONS

SECTION 5.01. TERM. This Interlocal Governance Agreement shall become effective when a fully-executed copy is filed with the clerk of the circuit court for each of the Local Government Partners and, unless terminated earlier pursuant the terms hereof, shall extend for a term of ninety-nine years.

SECTION 5.02. TERMINATION. Upon termination of the Interlocal Operating Agreement, this Interlocal Governance Agreement may be terminated by any Local Government Partner upon provision of thirty day's written notice to the other Local Government Partners.

SECTION 5.03. RESOLUTION OF DISPUTES. It is the desire and intent of the parties to avoid, if possible, the expense and delay inherent in litigation; therefore, the Local Government Partners agree that whenever any individual party cannot resolve an issue with any other party, the affected parties shall engage in the alternative dispute resolution process described below prior to resorting to litigation.

(A) Any party may give another party written notice of any dispute not resolved in the normal course of business. Within ten business days after delivery of the notice, the receiving party shall submit to the disputing party a written response. The notice and the response shall include (1) a statement of the position of the party delivering the notice of dispute or the response, as the case may be, and a summary of arguments supporting its position; and (2) the name and title of the executive who will represent that party in the negotiation to resolve the dispute and of any other person who will accompany the executive.

(B) Within ten business days after delivery of the disputing party's notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as
often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other shall be honored. In an effort to facilitate the negotiation process, such executives may agree to have an unrelated third party moderate and facilitate the negotiations. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at least three business days notice of such intention and may also be accompanied by an attorney.

(C) If the dispute has not been resolved within thirty calendar days after delivery of the disputing party's notice, or if the parties fail to meet within twenty calendar days, either party may give written notice to the other party declaring the negotiation process terminated.

(D) The parties regard the obligations to notify the other party of a dispute and to negotiate such dispute pursuant to this Section as an essential provision of this Interlocal Governance Agreement and one that is legally binding on each of them. In case of a violation of such obligation by either party, the other may bring an action to seek enforcement of such obligation in any court of law having jurisdiction thereof.

(E) Each party shall each bear its own costs and expenses incurred in connection with any negotiations and dispute resolution.

(F) Upon failure to resolve any dispute in accordance in this Section 5.03, the parties may engage in mediation, arbitration, or other dispute resolution processes at their discretion, or pursue other legal remedies.

SECTION 5.04. NOTICES. Whenever this Interlocal Governance Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the content, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to and received by the party intended to receive it (A) by hand
delivery to the person(s) hereinafter designated, or (B) by overnight hand delivery addressed as follows, or (C) through the United States Mail, postage prepaid, certified mail, return-receipt requested, or (D) delivered and received by facsimile telephone transmission or other electronic transmission (provided that an original of the electronically transmitted document is delivered within five (5) days after the document was electronically transmitted) upon the date so delivered to and received by the person to whom it is at the address set forth opposite the party's name below:

Orange County: Orange County Administrator
Post Office Box 1393
Orlando, Florida 32802-1393
Phone: (407) 836-7370
Fax: (407) 836-7399

with a copy to

Orange County Attorney
Post Office Box 1393
Orlando, Florida 32802-1393
Phone: (407) 836-7320
Fax: (407) 836-5888

Osceola County: Osceola County Manager
1 Courthouse Square
Suite 4700
Kissimmee, Florida 34741
Phone: (407) 343-2385
Fax: (407) 343-2391

with a copy to

Osceola County Attorney
1 Courthouse Square
Suite 4200
Kissimmee, Florida 34741
Phone: (407) 343-2330
Fax: (407) 343-2353
Seminole County: Deputy County Manager
Seminole County Services Building
1101 East First Street
Sanford, Florida 32773
Phone: (407) 665-7212
Fax: (407) 665-7958

with a copy to

County Attorney
Seminole County Services Building
1101 East First Street
Sanford, FL 32771
Phone: (407) 665-7254
Fax: (407) 665-7259

County of Volusia: County of Volusia
County Manager
123 W. Indiana Avenue
DeLand, Florida 32720
Phone: (386) 736-5920
Fax: (386) 822-5717

with a copy to

County of Volusia
County Attorney
123 W. Indiana Avenue
DeLand, Florida 32720
Phone: (386) 736-5950
Fax: (386) 736-5990

City of Orlando: Director of Transportation
400 South Orange Avenue
Orlando, Florida 32801
Phone: (407) 246-3978
Fax: (407) 246-3392

with a copy to

Chief Administrative Officer
400 South Orange Avenue
Orlando, Florida 32801
Phone: (407) 246-3091
Fax: (407) 246-3342
Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

SECTION 5.05. COUNTERPARTS. This Interlocal Governance Agreement may be executed in multiple counterparts. Each such counterpart shall be deemed an original of this Interlocal Governance Agreement, so that in making proof of this Interlocal Governance Agreement, it shall only be necessary to produce or account for one such counterpart.

SECTION 5.06. COMPLETE AGREEMENT. This Interlocal Governance Agreement embodies all of the agreements of the parties relating to its subject matter, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified, or supplemented only by an instrument or instruments in writing executed by all of the parties.

SECTION 5.07. SEVERABILITY. In the event any one or more of the provisions contained in this Interlocal Governance Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Interlocal Governance Agreement shall be revised so as to cure such invalid, illegal or unenforceable provision to carry out as nearly as possible the original intent of the parties.

SECTION 5.08. CONTRACTUAL RELATIONSHIP. It is specifically understood and agreed that the relationship described in this Interlocal Governance Agreement between and among the Local Government Partners is contractual in nature and is not to be construed to create a partnership or joint venture or agency relationship among the parties. Nor,
shall the individual Local Government Partners be liable for any debts or liabilities incurred by
the Commission or the other Local Government Partners.

SECTION 5.09. GOVERNING LAW AND VENUE. This Interlocal Governance Agreement and all agreements entered into in connection with the transactions contemplated by this Interlocal Governance Agreement are, and will be, executed and delivered, and are intended to be performed in Orange County, Osceola County, Seminole County and the County of Volusia. The laws of Florida shall govern the validity, construction, enforcement, and interpretation of this Interlocal Governance Agreement. In the event of litigation among the parties hereto, their successors or assigns, with regard to this Interlocal Governance Agreement and any subsequent supplementary agreements or amendments, venue shall lie exclusively in the county where the administrative offices of the Commuter Rail System are located.

SECTION 5.10. FURTHER ASSURANCES. Each party agrees to perform any further acts and to sign and deliver any further documents that may be reasonably necessary to carry out the provisions of this Interlocal Governance Agreement.
IN WITNESS WHEREOF, the Board of County Commissioners of Orange County, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this ___ day of August, 2007.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By: ______________________
    Richard T. Crotty
    Orange County Mayor

Attest: Martha O. Haynie, Orange County Comptroller
as Clerk of the Board of County Commissioners

By: ______________________
    Deputy Clerk
    Print Name: __________________
IN WITNESS WHEREOF, the Board of County Commissioners of Osceola County, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this ___ day of August, 2007.

OSCEOLA COUNTY, FLORIDA

By: ________________________________  
Chairman  
Board of County Commissioners

(SEAL)

ATTEST:

______________________________  
Clerk to the Board of  
County Commissioners
IN WITNESS WHEREOF, the Board of County Commissioners of Seminole County, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this day of August, 2007.

ATTEST:

MARYANNE MORSE
Clerk to the Board of County Commissioners of Seminole County, Florida.

For the use and reliance of Seminole County only.

Approved as to form and legal sufficiency.

__________________________
County Attorney

BOARD OF COUNTY COMMISSIONERS SEMINOLE COUNTY, FLORIDA

By: ________________________________ 
Carlton D. Henley, Chairman

Date: ________________________________

As authorized for execution by the Board of County Commissioners at its _______ , 2007 regular meeting
IN WITNESS WHEREOF, the County Council of the County of Volusia, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this ___ day of August, 2007.

ATTEST:

By: __________________ __
Name: James T. Dinneen
Title: County Manager/Clerk
Dated: __________________

COUNTY OF VOLUSIA

By: __________________ __
Name: Frank T. Bruno, Jr.
Title: Council Chair
Dated: __________________
IN WITNESS WHEREOF, the City Council of the City of Orlando, Florida, has caused this Interlocal Governance Agreement to be executed and delivered this day of August, 2007.

CITY OF ORLANDO

By: __________________________________________
Mayor / Mayor Pro Tem

ATTEST:

______________________________________________
Alana C. Brenner, City Clerk

APPROVED AS TO FORM AND LEGALITY for the use and reliance of the City of Orlando, Florida, only.

______________________________________________, 2007

______________________________________________
Assistant City Attorney
Orlando, Florida

STATE OF FLORIDA
COUNTY OF ORANGE

PERSONALLY APPEARED before me, the undersigned authority, ___________________ and Alana C. Brenner, well known to me and known by me to be Mayor __________ and City Clerk, respectively, of the City of Orlando, Florida, and acknowledged before me that they executed the foregoing instrument on behalf of the City of Orlando as its true act and deed, and that they were duly authorized to do so.

WITNESS MY hand and official seal this ___ day of ____________, 2007.

Notary Public - State of Florida at Large
Print Name: ________________________
My commission expires:
APPENDIX A

MASTER GLOSSARY OF TERMS FOR CENTRAL FLORIDA COMMUTER RAIL SYSTEM AGREEMENTS

DEFINITIONS

As used in the Interlocal Governance Agreement, the Interlocal Operating Agreement and the Interlocal Funding Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Average Fare" means the average fare paid for passage on the Commuter Rail System, as calculated pursuant to Section 5.02(F) of the Interlocal Operating Agreement.

"Base Service" means commuter rail service provided in accordance with the standards set forth in Section 4.05 of the Interlocal Operating Agreement, as adjusted pursuant to Sections 4.06 and 4.07 of the Interlocal Operating Agreement.

"Boarding Share" means the share of passenger boardings computed for each Local Government Partner pursuant to Section 4.01(A) of the Interlocal Governance Agreement.

"Capital Cost" means costs properly attributable to the acquisition of the Station Property and the construction, installation and equipping of Phase I and Phase II under generally accepted accounting principles applicable to the Commuter Rail System.

"Central Florida Operating and Management Agreement" means that certain Central Florida Operating and Management Agreement between CSXT and FDOT, in substantially the form attached to the Interlocal Operating Agreement as Appendix F, delineating the rights and responsibilities of FDOT and CSXT for the control, dispatch, operation, maintenance, and management of the Corridor and for freight and passenger rail service on the Corridor.

"Chief Executive Officer" means the chief executive officer of the Commuter Rail System appointed pursuant to Section 4.13(A) of the Interlocal Operating Agreement.
"Chief Operating Officer" means the chief operating officer of the Commuter Rail System appointed pursuant to Section 4.13(B) of the Interlocal Operating Agreement.

"City of Orlando" means the City of Orlando, a municipal corporation organized under the laws of the State of Florida.

"Commuter Rail System" means the Central Florida Commuter Rail Transit System, a Fixed Guideway Transit System that shall operate within the Corridor, as described in the Interlocal Operating Agreement.

"Commission" means the Central Florida Commuter Rail Commission created by the Interlocal Governance Agreement.

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

"Commuter Rail Easement" means the easement for use of the Corridor (including the Station Platforms), maintenance facility, layover facility, and other real property used or held for use by the Commuter Rail System, attached to the Interlocal Operating Agreement as Appendix D, which will be executed and delivered by FDOT to the Commission pursuant to Section 3.05(B) of the Interlocal Operating Agreement.

"Construction Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Construction in Section 4.01(B) of the Interlocal Funding Agreement.
"Contract for Sale and Purchase" means certain Contract for Sale and Purchase between CSXT and FDOT, in substantially the form attached to the Interlocal Operating Agreement as Appendix E, which, subject to certain conditions precedent, provides for acquisition of the Corridor by FDOT, subject to a retained perpetual easement for Rail Freight Services.

"Contract Operator" means a third-party, independent contractor or contractors procured to operate, maintain and dispatch the Commuter Rail System's commuter passenger trains and maintain the Corridor.

"Corridor" means the railroad corridor formerly known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles through which the Commuter Rail System will operate, as depicted in Appendix B. The term "Corridor" includes the Station Platforms.

"Corridor Access Management" means managing, directing, and controlling the occupation, use, and access to the Corridor in a manner consistent with freight and passenger rail services in accordance with this Interlocal Agreement and the Central Florida Operating and Management Agreement.

"County of Volusia" means the County of Volusia, a charter county and political subdivision of the State.

"CSXT" means CSX Transportation, Inc., a corporation organized and existing under the laws of the State of Virginia and authorized to do business in the State.

"Customer Advisory Committee" means the advisory committee created pursuant to Section 3.08 of the Interlocal Governance Agreement.
"Debt Service" means an amount equal to the sum of the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the FDOT Fixed-Guideway Bonds during each Fiscal Year of the Local Government Partners as such payments become due (provided that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments shall be deemed to become due in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration) during or prior to such Fiscal Year.

"Diesel Multiple Unit" means a steel wheel on steel rail transit vehicle that is self-propelled, with the capacity to operate independently and pull non-powered cars. The Commuter Rail System intends to utilize FRA compliant (49 CFR Part 238 specifications for compression testing) Diesel Multiple Units, which pass the FRA 800,000-pound structural buff load test and have the ability to run in mixed freight service on existing track.

"District Secretary" means the FDOT District Secretary for District 5, in which the Commuter Rail System is located.

"Extended Service" means the provision of service to any Station not listed in Appendix C to the Interlocal Operating Agreement.

"Expanded Service" means increased headways and service frequencies, additional peak and off peak service, additional night, weekend or Holiday service, special event service and other service increases.

"Farebox Revenue" means fares paid for passage on the Commuter Rail System.
"FDOT" means the State of Florida Department of Transportation, an agency of the State of Florida.

"FDOT Fixed-Guideway Bonds" means the debt obligations initially issued by FDOT to acquire the Corridor and relocate the Taft Yard Facility, as described in Section 4.03(A) of the Interlocal Funding Agreement and any obligations issued for purposes of refunding pursuant to Section 4.05 of the Interlocal Funding Agreement.

"FDOT Funding Period" means the period commencing on the Revenue Operation Date and ending on the first day of the calendar month following expiration a seven-year period, during which FDOT is obligated to fund operating deficits of the Commuter Rail System and Debt Service on the FDOT Fixed-Guideway Bonds.

"Final Design Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Final Design in Section 4.01(B) of the Interlocal Funding Agreement.

"Fiscal Year" means (A) during the FDOT Funding Period, the fiscal year for State government, which commences on July 1 and continues through the next succeeding June 30, or (B) following expiration of the FDOT Funding Period, the fiscal year for county government, which commences on October 1 and continues through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for either level of government.

"Five-Year Capital Plan" means a five-year capital plan for capital improvements to the Commuter Rail System including, but not limited to: new track materials and installation (including rails, ties, ballast, switches, fasteners, etc); bridge and culvert upgrades and replacements (supply, fabricate and install); signals and communications equipment upgrades and replacements; at-grade crossing improvements; vehicle storage and maintenance facility
improvements and equipment; maintenance of way equipment and vehicles; control center improvements; station improvements, amenities and equipment upgrades; fare collection equipment and upgrades; Diesel Multiple Unit upgrades; additional Diesel Multiple Units; and parking lot improvements and expansions.

"Fixed Guideway Transit System" means a system used for the transportation of people and goods by means of, without limitation, a street railway, an elevated railway having a fixed guideway, a commuter railroad, a subway, and includes a complete system of tracks, stations, and rolling stock necessary to effectuate passenger service to or from the neighboring regional communities.

"FRA" means the Federal Railroad Administration.

"FTA" means the Federal Transit Administration.

"FTA Funds" means Federal grant funds provided by FTA under the Full Funding Grant Agreement.

"Full Funding Grant Agreement" means the Full Funding Grant Agreement to be entered into by FTA and FDOT pursuant to 49 U.S.C. Section 5309, pursuant to which FTA will provide Federal funds for acquisition and construction of the Commuter Rail System.

"Funding Determination Year" means the 12-month period ending on March 31.

"Governing Board" means the governing body of the Commission established pursuant to Section 3.03 of the Interlocal Governance Agreement.

"Holiday" means a holiday designated by law (currently, Section 110.117, Florida Statutes) as paid holidays observed by all State branches and agencies.
"Initial Capital Contribution" means, for each Local Government Partner, the Preliminary Engineering Contribution, the Station Property Contribution, the Final Design Contribution and the Construction Contribution.

"Interest Payment Date" means the date on which each payment of principal and/or interest becomes due on the FDOT Fixed-Guideway Bonds.

"Interlocal Agreement" means this Interlocal Agreement for Development and Operation of the Central Florida Commuter Rail Transit System and Creation of the Central Florida Commuter Rail Commission, among Orange County, Osceola County, Seminole County, the County of Volusia, the City of Orlando and FDOT.

"Local Capital Cost" means the Capital Cost of implementing the Five-Year Capital Plan following expiration of the FDOT Funding Period, after deducting State and Federal contributions.

"Local Farebox Revenue" means the amount computed for each Local Government Partner pursuant to Section 4.01(C) of the Interlocal Governance Agreement.

"Local Government Partner" means Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando.

"Local Station Revenue" means any Station revenue described in Section 3.02(B) of the Interlocal Funding Agreement.

"Maintenance of Way" means those labor, materials and equipment that are required to maintain the Corridor, including but not limited to mowing, replacing and repairing ballast, replacing and repairing rails, signals and switches, undertaking minor bridge maintenance and performing other activities required to safely operate the rail service.
"Member" means a member of the Governing Board, as designated in Section 3.03 of the Interlocal Governance Agreement.

"Non-Peak Hours" means 5:00 a.m. – 5:30 a.m., 8:30 a.m. – 3:30 p.m. and 6:30 p.m. to midnight, Monday through Friday

"Non-Ad Valorem Funds" shall mean all revenues of the Local Government Partner derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments required herein, but only after provision has been made by the Local Government Partner for the payment of all essential or legally mandated services; provided however, that unless otherwise agreed to by FDOT, the term "Non-Ad Valorem Funds does not include Federal funds.

"Operating Revenue Without Farebox" means Total Operating Revenue less Farebox Revenue.

"Orange County" means Orange County, a charter county and political subdivision of the State.

"Osceola County" means Osceola County, a charter county and political subdivision of the State.

"Peak Hours" means 5:30 a.m. – 8:30 a.m. and 3:30 p.m. – 6:30 p.m., Monday through Friday, excluding Holidays.

"Phase I" means acquisition of the Corridor and construction of the portion of the Commuter Rail System expected to be operational in 2009, as described in Appendix C to the Interlocal Operating Agreement.
"Phase I Cost Estimate" means $388,184,000, which includes the estimated cost of preliminary engineering for Phase I and Phase II, acquisition of Station Property for Phase I and Phase II, final design for Phase I and construction of Phase I.

"Phase II" means construction of the portion of the Commuter Rail System expected to be operational in 2013, as described in Appendix C to the Interlocal Operating Agreement.

"Phase II Cost Estimate" means $217,216,000, which includes the estimated cost of final design for Phase II and construction of Phase II.

"Preliminary Engineering Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Engineering in Section 4.01(8) of the Interlocal Funding Agreement.

"Rail Freight Service" means the transportation by rail of property and movable articles of every kind, character and description over the Corridor, as permitted under the perpetual easement retained by CSXT pursuant to the Contract for Sale and Purchase.

"Responsible Local Government Partner" means, with respect to Article V and Article VI hereof, the County within which a Station is located, except that the Responsible Local Government Partner shall mean the City of Orlando (and not Orange County) with respect to any Station located within the jurisdiction of the City of Orlando.

"Revenue Operation Date" means 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 and shall have the same meaning as used by the FTA.

"Seminole County" means Seminole County, a charter county and political subdivision of the State.
"Share of Local Capital Cost" means the amount computed for each Local Government Partner pursuant to Section 4.02(B) of the Interlocal Governance Agreement.

"Share of Local Operating Support" means the amount computed for each Local Government Partner pursuant to Section 4.01(D) of the Interlocal Governance Agreement.

"Share of Local Operating Support Without Farebox" means the amount computed for each Local Government Partner pursuant to Section 4.01(B) of the Interlocal Governance Agreement.

"Share of FDOT Bond Debt Service" means the amount computed for each Local Government Partner pursuant to Section 4.03(B) of the Interlocal Funding Agreement.

"State" means the State of Florida.

"State of Good Repair" means performance of all necessary maintenance, including preventative maintenance, replacement of all infrastructure components on a schedule consistent with their life expectancy, and compliance with all applicable FRA and FTA regulations.

"Station" means a commuter rail passenger station on the Commuter Rail System, including the commuter rail passenger stations listed in Appendices C, D and E of the Interlocal Operating Agreement and any additional commuter rail passenger station added as Extended Service pursuant to Section 4.07 of the Interlocal Operating Agreement. The term "Station" includes the "Station Platform" and the "Station Property."

"Station Platform" means the Station loading platform located within the Corridor, including any improvements made thereto.

"Station Property" means the Station parking area and other Station property located outside the Corridor, including any improvements made thereto, that was acquired with Federal funds, proceeds of the Initial Capital Contributions of the Local Government Partners or as part
of the Five-Year Capital Plan. The term "Station Property" does not include any other property acquired by the Local Government Partners with their own funds.

"Station Property Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Station Property in Section 4.01(B) of the Interlocal Funding Agreement.

"System Net Revenue Without Farebox" means, for any Fiscal Year, the amount computed by deducting the budgeted Operating Revenue without Farebox from the budgeted Total Operating Cost.

"System Operating Deficit" means, for any Fiscal Year, the amount computed by deducting the Total Operating Revenue from the Total Operating Cost.

"Technical Advisory Committee" means the advisory committee created pursuant to Section 3.07 of the Interlocal Governance Agreement.

"Total Operating Cost" means all expenses incurred in connection with operation and maintenance of the Commuter Rail System including, but not limited to, the following: (A) during the FDOT Funding Period, the cost for FDOT staff and contractors working for the Commuter Rail System, including indirect costs computed in accordance with a cost allocation plan meeting FRA and FTA requirements; (B) payments made to the Contract Operator; (C) the direct cost of Corridor Access Management; (D) the direct cost for Maintenance of Way; (E) the cost to maintain the Commuter Rail System's rolling stock, including the "capital maintenance cost," as defined in the agreement with the Contract Operator; (F) the direct cost to insure and provide risk management for the Commuter Rail System; (G) during the FDOT Funding Period, the cost incurred by FDOT, including indirect costs computed in accordance with an indirect cost allocation plan meeting FRA and FTA requirements; and (H) any other cost directly related to
the Commuter Rail System. The term "Total Operating Cost" does not include Debt Service on the FDOT Fixed-Guideway Bonds or expenses related to operation of the Station Property. During the FDOT Funding Period, the term "Total Operating Cost" does not include any cost associated or incurred by the Local Government Partners or other governmental entities regarding the Commission, Governing Board, Technical Advisory Committee or Customer Advisory Committee.

"Total Operating Revenue" means all revenues arising from the operation of the Commuter Rail System including, but not limited to, (A) revenue generated by and received from freight railroads operating on the Corridor (including the car charge payable pursuant to the Central Operating and Management Agreement, (B) liquidated damages paid by the Contract Operator, (C) financial contributions by other entities in support of Commuter Rail System operations including, but not limited to Federal grant funds, (D) any other revenues arising as a result of the operation of Commuter Rail System, and (E) interest or investment earnings; provided however, that the term "Total Operating Revenue" does not include Local Station Revenue.
Interlocal Operating Agreement for the Operation of the Central Florida Commuter Rail System, by and between the Florida Department of Transportation and the Central Florida Commuter Rail Commission.

INTERLOCAL OPERATING AGREEMENT
FOR OPERATION OF THE
CENTRAL FLORIDA COMMUTER RAIL SYSTEM

By and Between

FLORIDA DEPARTMENT OF TRANSPORTATION

AND

CENTRAL FLORIDA COMMUTER RAIL COMMISSION
## Table of Contents

INTERLOCAL OPERATING AGREEMENT .................................................................................................................. 1

**ARTICLE I** ................................................................................................................................................................. 3

DEFINITIONS AND CONSTRUCTION ........................................................................................................................... 3

SECTION 1.01. DEFINITIONS ........................................................................................................................................... 3
SECTION 1.02. INTERPRETATION ...................................................................................................................................... 3
SECTION 1.03. SECTION HEADINGS ................................................................................................................................ 5

**ARTICLE II** .................................................................................................................................................................. 5

REPRESENTATIONS ............................................................................................................................................................. 5

SECTION 2.01. REPRESENTATIONS OF FDOT .................................................................................................................. 5
SECTION 2.02. REPRESENTATIONS OF THE COMMISSION ................................................................................................. 6

**ARTICLE III** .................................................................................................................................................................. 6

ACQUISITION, CONSTRUCTION AND OWNERSHIP .............................................................................................................. 6

SECTION 3.01. GENERAL COMMUTER RAIL SYSTEM DESCRIPTION .................................................................................... 6
SECTION 3.02. ACQUISITION OF THE CORRIDOR ............................................................................................................... 7
SECTION 3.03. CONSTRUCTION OF THE COMMUTER RAIL SYSTEM .................................................................................. 9
SECTION 3.04. OWNERSHIP OF THE COMMUTER RAIL SYSTEM ......................................................................................... 11
SECTION 3.05. CONVEYANCE REQUIREMENTS .................................................................................................................. 12
SECTION 3.06. CONDEMNATION ......................................................................................................................................... 15

**ARTICLE IV** .................................................................................................................................................................. 15

OPERATION AND MAINTENANCE ................................................................................................................................. 15

SECTION 4.01. GENERAL DESCRIPTION ......................................................................................................................... 15
SECTION 4.02. CORRIDOR ACCESS MANAGEMENT ............................................................................................................. 16
SECTION 4.03. SERVICE POLICIES ....................................................................................................................................... 16
SECTION 4.04. FARE POLICIES .............................................................................................................................................. 16
SECTION 4.05. BASE SERVICE STANDARDS ..................................................................................................................... 17
SECTION 4.06. ADJUSTMENTS TO BASE SERVICE ........................................................................................................... 17
SECTION 4.07. EXPANDED SERVICE AND EXTENDED SERVICE ........................................................................................... 18
SECTION 4.08. OPERATING RULES .................................................................................................................................. 18
SECTION 4.09. MAINTENANCE .............................................................................................................................................. 18
SECTION 4.10. SECURITY ...................................................................................................................................................... 19
SECTION 4.11. MARKETING .................................................................................................................................................. 19
SECTION 4.12. EXCURSION AND SPECIAL EVENT TRAINS ...................................................................................................... 20
SECTION 4.13. STAFFING ................................................................................................................................................... 20
SECTION 4.14. CONTRACT OPERATOR ............................................................................................................................... 23
SECTION 4.15. ADMINISTRATIVE FUNCTIONS .................................................................................................................. 24
SECTION 4.16. EMERGENCIES ............................................................................................................................................. 26

**ARTICLE V** .................................................................................................................................................................. 26

FINANCIAL OBLIGATIONS .................................................................................................................................................... 26

SECTION 5.01. ANNUAL FUNDING OBLIGATION AND LIMITATION .................................................................................. 26
SECTION 5.02. FARES ............................................................................................................................................................ 26
SECTION 5.03. ANNUAL BUDGETS ...................................................................................................................................... 28
SECTION 5.04. ACCOUNTING AND REPORTING .................................................................................................................. 29
SECTION 5.05. FDOT ANNUAL APPROPRIATIONS ............................................................................................................. 29

**ARTICLE VI** .................................................................................................................................................................. 30

GENERAL PROVISIONS ..................................................................................................................................................... 30

SECTION 6.01. TERM ........................................................................................................................................................... 30
SECTION 6.02. TERMINATION .............................................................................................................................................. 30
SECTION 6.03. ASSIGNMENT ................................................................................................................................................ 35
SECTION 6.04. ADVISORY RELATIONSHIPS ..................................................................................................................... 36
SECTION 6.05. RESOLUTION OF DISPUTES ................................................................. 37
SECTION 6.06. FORCE MAJEURE ........................................................................... 38
SECTION 6.07. INSURANCE AND LIABILITY .......................................................... 39
SECTION 6.08. THIRD PARTY CONTRACTORS ..................................................... 39
SECTION 6.09. CHANGED CIRCUMSTANCES ......................................................... 40
SECTION 6.10. NOTICES ....................................................................................... 40
SECTION 6.11. ENFORCEMENT ............................................................................ 41
SECTION 6.12. COUNTERPARTS ........................................................................... 41
SECTION 6.13. CONCURRENT AGREEMENTS ....................................................... 42
SECTION 6.14. SEVERABILITY .............................................................................. 42
SECTION 6.15. CONTRACTUAL RELATIONSHIP ............................................... 42
SECTION 6.16. GOVERNING LAW AND VENUE .................................................. 43
SECTION 6.17. FURTHER ASSURANCES .............................................................. 43

APPENDIX A  MASTER GLOSSARY
APPENDIX B  DEPICTION OF THE CORRIDOR
APPENDIX C  DESCRIPTION OF THE PHASE I AND PHASE II IMPROVEMENTS
APPENDIX D  FORM OF COMMUTER RAIL EASEMENT
APPENDIX E  FORM OF CONTRACT FOR SALE AND PURCHASE
APPENDIX F  FORM OF CENTRAL FLORIDA OPERATING AND MANAGEMENT
AGREEMENT
APPENDIX G  PROPOSED LEGISLATION
INTERLOCAL OPERATING AGREEMENT

THIS INTERLOCAL OPERATING AGREEMENT is made and entered into by and between the State of Florida Department of Transportation, an agency of the State of Florida ("FDOT") and the Central Florida Commuter Rail Commission, a legal entity and public body created by Interlocal Operating Agreement pursuant to Section 163.01, Florida Statutes (the "Commission").

WITNESSETH:

WHEREAS, FDOT is undertaking the development and implementation of the Central Florida Commuter Rail Transit System (the "Commuter Rail System") running from DeLand in the County of Volusia through Seminole County and Orange County (including the City of Orlando) to Poinciana in Osceola County; and

WHEREAS, FDOT and CSX Transportation, Inc. ("CSXT") expect to enter into a Contract for Sale and Purchase which, subject to certain conditions precedent, provides for the acquisition (subject to a retained perpetual easement for Rail Freight Services) by FDOT from CSXT of the railroad corridor known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida, and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles, (the "Corridor") for the use of the Commuter Rail System; and

WHEREAS, FDOT and CSXT expect to enter into a Central Florida Operating and Management Agreement establishing operating windows for passenger rail and freight operations within the Corridor and providing for use and maintenance of the Corridor; and

WHEREAS, FDOT is in the process of making application to the Federal Transit Administration (FTA) and Congress for capital funds, commonly referred to as New Starts funding to provide a portion of the funds necessary for the planning, design, right-of-way acquisition and
construction of the proposed commuter rail service on the Commuter Rail System; and

WHEREAS, Federal New Starts funding and other Federal funding will require a 50 percent match of Federal funds with state and local funds for capital costs, which will be shared among FDOT, Orange County, a charter county and political subdivision of the State of Florida ("Orange County"), Osceola County, a charter county and political subdivision of the State of Florida ("Osceola County"), Seminole County, a charter county and political subdivision of the State of Florida ("Seminole County"), the County of Volusia, a charter county and political subdivision of the State of Florida ("County of Volusia"), the City of Orlando, a municipal corporation of the State of Florida (the "City of Orlando"), in the Interlocal Funding Agreement among such parties; and

WHEREAS, Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando (collectively, the "Local Government Partners") have agreed that the FDOT will be the agency responsible for the design, permitting and construction of the Commuter Rail System, and will be responsible for its funding, operation, management, and maintenance for a period seven years (the "FDOT Funding Period") following the Revenue Operation Date (as hereinafter defined); and

WHEREAS, Local Government Partners have created the Central Florida Commuter Rail Commission (the "Commission") to assume responsibility for funding, operation, management, and maintenance of the Commuter Rail System upon expiration of the FDOT Funding Period; and

WHEREAS, FDOT has agreed to convey an easement in the Corridor and fee title to the Station Property to the Commission in accordance with and under the conditions described in Section 3.05 hereof and Article III of the Interlocal Funding Agreement between FDOT and the Local Government Partners; and

WHEREAS, the Commuter Rail System is contained in the Year 2025 Metroplan Orlando's
Interlocal Operating Agreement

Orlando Urban Area Transportation Study "Financially Constrained Network," and the 2025 Volusia County Long Range Transportation Plan; and

WHEREAS, implementation of the Commuter Rail System will result in overall social and environmental benefits, improve the quality of life in the state, stimulate economic growth, create new employment opportunities, and serve as a positive growth management catalyst; and

WHEREAS, the Commuter Rail System will greatly benefit all of the citizens of and visitors to the Central Florida region, and is needed in order to relieve traffic congestion, and provide transportation opportunities; and

WHEREAS, the Commuter Rail System will become an integral part of a Central Florida balanced transportation system and, with concurrent development of improvements to roadways and bus transit, will greatly enhance the mobility of the traveling public;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein and other valuable consideration, receipt of which is hereby acknowledged, the parties mutually undertake, promise and agree for themselves, their successors and assigns as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in the Master Glossary of Terms for the Florida Commuter Rail System Agreements attached hereto as Appendix A and by the reference incorporated herein.

SECTION 1.02. INTERPRETATION. For the purposes of the interpretation, construction, administration, and implementation of this Interlocal Operating agreement, unless otherwise stated in
this Interlocal Operating Agreement, the following rules of construction shall apply:

(A) Words importing the singular number shall include the plural, and vice versa, unless the context clearly indicates to the contrary.

(B) In case of any difference of meaning or implication between the text of this Interlocal Operating Agreement and any caption, illustration, summary table or illustrative table, the text shall control.

(C) The word “shall” is mandatory, not discretionary; the word “may” is permissive and discretionary.

(D) The word “person” includes an individual, a corporation, a partnership, an incorporated association, or any other similar entity.

(E) Unless the context clearly indicates to the contrary, where a provision involves two or more items, conditions, provisions or events connected by the conjunction “and,” “or” or “either . . . or,” the conjunction shall be interpreted as follows:

a.  And indicates that all the connected terms, conditions, provisions or events shall apply.

b.  Or indicates that the connected items, conditions, provisions or events may apply singly or in any combination.

c.  Either . . . or indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.

(F) The word “includes” shall not limit a term to the specific example but is intended to extend its meaning to all other instances or circumstances of like kind or character.

(G) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms,
shall refer to this Interlocal Operating Agreement; the term “heretofore” shall mean prior to execution of this Interlocal Operating Agreement.

(H) This Interlocal Operating Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Interlocal Operating Agreement.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Interlocal Operating Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Interlocal Operating Agreement nor affect its meaning, construction, or effect.

ARTICLE II

REPRESENTATIONS

SECTION 2.01. REPRESENTATIONS OF FDOT. FDOT makes the following representations as the basis for the undertakings on the part of Commission herein contained:

(A) FDOT has duly authorized the execution and delivery of this Interlocal Operating Agreement and assuming the due authorization, execution and delivery by the other parties hereto, this Interlocal Operating Agreement constitutes a valid and legally binding obligation of FDOT, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity or public policy.

(B) To FDOT's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best knowledge of FDOT, threatened against or affecting FDOT, wherein an unfavorable decision, ruling or finding would
materially adversely affect the transactions contemplated hereby or which, in any way, would
materially adversely affect the validity of this Interlocal Operating Agreement.

SECTION 2.02. REPRESENTATIONS OF THE COMMISSION. The Commission
makes the following representations as the basis for the undertakings on the part of FDOT herein
contained:

(A) The Commission has duly authorized the execution and delivery of this Interlocal
Operating Agreement and assuming the due authorization, execution and delivery by the other parties
hereto, this Interlocal Operating Agreement constitutes a valid and legally binding obligation of the
Commission, enforceable in accordance with its terms, except to the extent that the enforceability
thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other
similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance
with general principles of equity or public policy.

(B) To the Commission's knowledge, there is no action, suit, proceeding or investigation at
law or in equity before or by any court, public board or body pending or, to the best knowledge of the
Commission, threatened against or affecting the Commission, wherein an unfavorable decision, ruling
or finding would materially adversely affect the transactions contemplated hereby or which, in any
way, would materially adversely affect the validity of this Interlocal Operating Agreement.

ARTICLE III

ACQUISITION, CONSTRUCTION AND OWNERSHIP

SECTION 3.01. GENERAL COMMUTER RAIL SYSTEM DESCRIPTION.

The Commuter Rail System will be a Fixed Guideway Transit System serving commuters within the
jurisdictions of the Local Government Partners, consisting of the following elements.
Interlocal Operating Agreement  

(A) The Corridor will consist of the former CSXT railroad corridor known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida, and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles, including the Station Platforms and maintenance facility, as depicted in Appendix B.

(B) Phase I will consist of the first 32.54-mile segment of the Corridor (between DeBary through downtown Orlando and into Orange County), 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 and Orlando Amtrak/ORMC, and Sand Lake Road. The specific improvements to be constructed during Phase I are described in Appendix C.

(C) 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. The specific improvements to be constructed during Phase II are described in Appendix C.

(D) The Commuter Rail System will use trains with diesel locomotive powered steel-wheeled technology with one, two or three modern comfortable passenger cars. The number of trains to be placed in service for Phase I and Phase II is included in Appendix C.

SECTION 3.02. ACQUISITION OF THE CORRIDOR. FDOT agrees to use its best efforts to acquire the Corridor from CSXT for the benefit of the Commuter Rail System, Freight Rail Service and intercity passenger rail service.
(A) FDOT agrees to use its best efforts to enter into the Contract for Sale and Purchase of the Corridor. The Commission acknowledges that FDOT’s acquisition of the Corridor will be subject to the terms set forth in the Contract for Sale and Purchase, including certain conditions precedent that may result in FDOT not acquiring the Corridor. If the executed Contract for Sale and Purchase is modified from the form and substance attached to this Interlocal Operating Agreement as Appendix E in a manner that imposes a material adverse financial or operational burden on the Commission or the Local Government Partners, this Interlocal Operating Agreement shall be terminated pursuant to Section 6.02(B)(3) hereof unless the FDOT and the Commission agree otherwise.

(B) FDOT agrees to use its best efforts to enter into the Central Florida Operating and Management Agreement for the Corridor. If the executed Central Florida Operating And Management Agreement is modified from the form and substance attached to this Interlocal Operating Agreement as Appendix F in a manner that imposes a material adverse financial or operational burden on the Commission or the Local Government Partners, this Interlocal Operating Agreement shall be terminated pursuant to Section 6.02(B)(3) hereof unless the FDOT and the Commission agree otherwise. By way of example, but not limitation, modifications that impose a material adverse financial or operational burden shall include the following:

(1) the assumption of liability in excess of that amount specified in Appendix F; or
(2) a failure to charge a reasonable rate for Rail Freight Services within the Corridor.

(C) The FDOT will use its best efforts to have the Florida Legislature pass the proposed legislation as set forth in Appendix G.

(D) If the legislation described in subsection (C) or something substantially similar which accomplishes the same intent and purpose (and includes the provisions proposed by the Commission
Interlocal Operating Agreement

and Local Government Partners) is not enacted or FDOT is unable to acquire the Corridor for any other reason prior to December 31, 2008, this Interlocal Operating Agreement shall be terminated pursuant to Section 6.02(B)(3) hereof.

(E) The Commission acknowledges that intercity passenger rail service is an appropriate use of the Corridor and FDOT agrees that intercity passenger rail service (other than AMTRAK) shall not be implemented until the parties to this Interlocal Operating Agreement have (1) agreed upon (a) a fair and reasonable method of computing intercity passenger rail service's share of the operating and maintenance cost of the Corridor, provided that no track access fee shall be charged, (b) an operating window for such intercity passenger rail service, and (c) provisions relating to liability, and (2) FDOT or any third-party operator of the intercity passenger rail service has entered into an agreement with the Commission addressing such issues.

SECTION 3.03. CONSTRUCTION OF THE COMMUTER RAIL SYSTEM.

(A) FDOT shall be responsible for the design and construction of Phase I and Phase II of the Commuter Rail System and agrees to initiate and diligently pursue such design and construction, based on Federal, State and local governmental approvals. FDOT shall use its best efforts to complete Phase I by December 31, 2010 and Phase II by December 31, 2013.

(B) Based upon previous actions taken by the individual Local Government Partners, as well as Metroplan Orlando and Volusia MPO, FDOT has been advancing the regional rail program since February 2003. As of the date hereof, FDOT has completed the Environmental Assessment and has been granted entry into Preliminary Engineering by FTA for the system between DeBary in Volusia County to Poinciana Boulevard in Osceola County. Once Preliminary Engineering is complete, FDOT will make application to FTA to enter into Final Design for the Commuter Rail
The Commuter Rail System shall be developed in a manner that will permit design, acquisition, and construction of Phase I (in accordance with the description set forth in Appendix C) within the Phase I Cost Estimate and construction of Phase II (in accordance with the description set forth in Appendix C) within the Phase II Cost Estimate. Changes to Phase I and Phase II requested by a Local Government Partner during Preliminary Engineering and Final Design will not be incorporated into the design unless a funding source has been committed or all other parties to this Interlocal Operating Agreement have agreed to the change.

For Phase I and Phase II of the Commuter Rail System, FDOT shall enter into a guaranteed maximum price design-build contract or other contract that establishes a firm fixed price for the work.

The FDOT shall construct Phase I and Phase II based upon the Final Design, subject to Federal, State and local governmental requirements. The development, design, engineering, preconstruction activities, construction and installation of all facilities shall be in accordance with State and Federal standards. FDOT shall require, in accordance with Section 337.18, Florida Statutes, surety bonds for all contractors undertaking any construction activity.

Any contractor, subcontractor or other third party who may require access on or to the Corridor during construction shall be required to obtain a policy or policies with coverages that conform with the requirements of FDOT's Standard Specifications. The Commission and the Local Government Partners shall be named as additional insureds on each policy of insurance, excluding workers' compensation and professional liability insurance. Upon request, the FDOT shall provide the Commission with a copy of the current certificate of insurance.
(G) Upon completing construction of each phase, FDOT will be responsible for the Commissioning, according to FTA and FRA standards and procedures. FDOT 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 3.04. OWNERSHIP OF THE COMMUTER RAIL SYSTEM.

(A) Subject to the conveyance requirements set forth in Section 3.05 hereof, (1) all right, title, and interest, whether in fee simple, easement, leasehold, or other, in the real estate in the Corridor, Stations and maintenance facility (including any agreement to use the existing AMTRAK maintenance facility in Sanford), and (2) all personal property, such as rolling stock and other equipment, that is acquired for the construction, operation, and maintenance of the Commuter Rail System shall be owned by FDOT. Prior to the Commissioning of the Commuter Rail System, FDOT and the Responsible Local Government Partners shall enter into joint use agreement for the Stations, which FDOT shall assign to the Commission when the Station Property is conveyed to the Commission pursuant to Section 3.05 hereof.

(B) Any sale of any part, interest, use, license, permit or of any other conveyance or right to use, encumber, or impair the Corridor, any grant of an easement, or any other agreement for use of a portion of the Corridor must be approved by the Governing Board pursuant to Section 3.05(E) of the Interlocal Governance Agreement before being approved by FDOT; provided however, that permits and licenses incidental to the ownership of the Corridor and the operation of the Commuter Rail System that FDOT is required by law to issue shall not require approval by the Governing Board. With the Governing Board's review during the FDOT Funding Period, FDOT may establish an application
fee and a standard use fee for certain uses of the Corridor by third parties. After the FDOT Funding Period, the Commission may establish and receive an application fee and a standard use fee for certain uses of the Corridor by third parties. The Commission acknowledges and agrees that certain transactions with third parties may be subject to certain statutory and rule requirements and nothing herein shall be deemed to change or override such requirements. To the extent that the provisions of this Interlocal Operating Agreement are inconsistent with such statutory or rule requirements, the statutory or rule requirements shall prevail.

(C) FDOT has separately contributed capital for the initial six Diesel Multiple Units purchased for the Commuter Rail System, which shall remain the property of FDOT. These initial six Diesel Multiple Units shall be committed by FDOT for use of the Commuter Rail System; provided however, that any Diesel Multiple Unit no longer required by the Commuter Rail System because of an adjustment in Base Service made pursuant to Section 4.06 of this Interlocal Operating Agreement shall be released from any obligation created by this Interlocal Operating Agreement.

(D) The net proceeds remaining after payment of other obligations and expenses derived from any sale of Commuter Rail System shall be applied to the reduction of Debt Service payable by the Local Government Partners pursuant to Section 4.03 of the Interlocal Funding Agreement on the next Interest Payment Date and subject to Section 3.05(A) of this Agreement.

SECTION 3.05. CONVEYANCE REQUIREMENTS.

(A) Any property or other assets purchased with Federal or State funds shall be subject to applicable Federal and State laws, rules, and procedures regarding disposition of property and funds.

(B) Following expiration of the FDOT Funding Period, FDOT shall execute and deliver the Commuter Rail Easement to the Commission, without payment of additional compensation to FDOT
Interlocal Operating Agreement

by the Commission. The Commission acknowledges that the Commuter Rail Easement will be
encumbered by the Central Florida Operating and Management Agreement. Such conveyance shall be
subject to a provision that if operation of the Commuter Rail System is suspended or terminated for a
period longer than 180 days (other than as the result of a Force Majeure event, for which the time
period shall be one year), unless otherwise agreed by the parties, the Commuter Rail Easement will
expire and the interest shall revert to and become the property of the FDOT. Said reverter shall
become effective within thirty days of notice from the FDOT to the Commission and shall not require
action of the Commission; provided, however, that the Commission agrees to execute such documents
as FDOT may reasonably request in the event that FDOT deems it convenient or necessary to confirm
the reverter. At the time of the conveyance of the Commuter Rail Easement to the Commission, the
Commission and the FDOT shall execute a written assignment of the Central Florida Operating and
Management Agreement pursuant to which the Commission agrees to assume and fully comply with
the obligations of FDOT thereunder, except to the extent of FDOT’s retained rights after the FDOT
Funding Period as set forth in this Interlocal Operating Agreement. Without limiting the generality of
the foregoing, the Commission, by virtue of this assignment, shall have all liability under the Central
Florida Operating and Maintenance Agreement as specified therein to the same extent as FDOT has
thereunder.

(C) Simultaneously with conveyance of the Commuter Rail Easement, FDOT shall transfer
to the Commission all of its right, title and interest in the rolling stock, equipment, tracks and other
personal property of the Commuter Rail System, both tangible and intangible; provided however, that
the initial six Diesel Multiple Units shall remain the property of FDOT. Such conveyance shall be
made without payment of additional compensation to FDOT by the Commission. Such conveyance
Interlocal Operating Agreement

shall be subject to a provision that if operation of the Commuter Rail System is suspended or terminated for a period longer than 180 days (other than as the result of a Force Majeure event), unless otherwise agreed by the parties, these properties shall revert to and become the property of the FDOT. Said reverter shall become effective within thirty days of notice from the FDOT to the Commission and shall not require action of the Commission; provided, however, that the Commission agrees to execute such documents as FDOT may reasonably request in the event that FDOT deems it convenient or necessary to confirm the reverter.

(D) Following expiration of the FDOT Funding Period, FDOT shall convey all of its right, title and interest in the Station Property (free and clear of any and all liens, encumbrances, mortgages, claims or causes of action, but subject to any joint use agreement entered into pursuant to and subject to the other provisions of Article III of the Interlocal Funding Agreement) to the Commission by deed, lease assignment, bill of sale or other appropriate instrument; provided however, that if operation of the Commuter Rail System is suspended or terminated for a period longer than 180 days (other than as the result of a Force Majeure event, for which the time period shall be one year), unless otherwise agreed by the parties, fee simple title to the Station Property shall revert to FDOT. Said reverter shall become effective within thirty days of notice from the FDOT to the Commission and shall not require action of the Commission; provided, however, that the Commission agrees to execute such documents as FDOT may reasonably request in the event that FDOT deems it convenient or necessary to confirm the reverter. Such conveyance shall be made without payment of additional compensation by FDOT to the Commission. For purposes of this subsection (D), Stations located within the jurisdiction of the City of Orlando shall be excluded from Stations located within the jurisdiction of Orange County. The Commission and FDOT acknowledge that all transfers shall be subject to applicable Federal and State
regulations regarding the transfer of property purchased, in whole or in part, with Federal or State funds.

(E) When components of the Commuter Rail System are conveyed to the Commission, all such components shall be in a State of Good Repair, subject to normal wear, and all guarantees, warranties, and similar rights held by FDOT relating to such components shall be assigned to the Commission.

SECTION 3.06. CONDEMNATION. FDOT and the Commission agree to cooperate if the exercise of eminent domain power becomes necessary to acquire property for the Commuter Rail System in determining which agency would be the most appropriate governmental entity to exercise its authority. In the event that any condemning authority institutes an action or proceeding for the condemnation of a portion of the Commuter Rail System property, FDOT and the Commission agree to jointly and equally defend such action and shall attempt to prevent any taking that would make it more costly or less efficient to provide commuter rail service.

ARTICLE IV

OPERATION AND MAINTENANCE

SECTION 4.01. GENERAL DESCRIPTION. During the FDOT Funding Period, FDOT will be solely responsible for the development, design, engineering, preconstruction activities, construction and installation of all fixed facilities, procurement of rolling stock and other personal property, operation (including train dispatching), and maintenance of the Commuter Rail System, in accordance with applicable Federal, State and local governmental requirements and in accordance with the Central Florida Operating and Management Agreement. Following expiration of the FDOT Funding Period, the Commission shall be responsible for any future activities described above that are
SECTION 4.02. CORRIDOR ACCESS MANAGEMENT. Prior to conveyance, as described in Section 3.05 hereof, FDOT shall be responsible for Corridor Access Management. Following execution and delivery of the Commuter Rail Easement, the Commission shall be responsible for Corridor Access Management, other than functions FDOT is required to perform by law.

SECTION 4.03. SERVICE POLICIES. During the FDOT Funding Period, the Commuter Rail System service levels, including the number of trains and the number of cars per train, shall be established by FDOT with input from the Governing Board, the Technical Advisory Committee and the Customer Advisory Committee. Following expiration of the FDOT Funding Period, service levels shall be established by the Governing Board with input from the Technical Advisory Committee, the Customer Advisory Committee.

SECTION 4.04. FARE POLICIES. During the FDOT Funding Period, the fares to be charged for Commuter Rail System service shall be determined by FDOT, with guidance from the Governing Board. In order for the bus transit system and Commuter Rail System fares to be as seamless as possible, and because operational subsidies for bus service will be included in the Commuter Rail System operations and maintenance cost projections, FDOT (during the FDOT Funding Period) and the Commission (following expiration of the FDOT Funding Period) will enter into an agreement with LYNX and VOTRAN regarding transfers between service modes in the service areas of both transit authorities so that customer fares and fare vending equipment are viewed by customers as though they are part of one system. Following expiration of the FDOT Funding Period, fare changes shall be approved by the Governing Board pursuant to Section 3.05(D) of the Interlocal
SECTION 4.05. BASE SERVICE STANDARDS.

(A) The Commuter Rail System will provide Base Service to the Local Government Partners, as described in the following subsection (B). Base Service shall only be adjusted pursuant to Sections 4.06 or 4.12 hereof.

(B) Commuter rail service will be provided initially in Phase I and expanded to Phase II in accordance with the schedule set forth in Section 3.03(A) hereof. The Commuter Rail System will provide bidirectional train service at a 30-minute frequency during Peak Hours and a two-hour frequency during Non-Peak Hours. The Commuter Rail System will not provide any train service between midnight and 5:00 a.m., legal Holidays, and Saturdays and Sundays.

SECTION 4.06. ADJUSTMENTS TO BASE SERVICE. The Chief Executive Officer shall report any train whose ridership falls below the minimum ridership threshold for three consecutive months to FDOT during the FDOT Funding Period and to the Governing Board thereafter. Any train failing to meet the established minimum ridership threshold for three consecutive months shall be evaluated and considered for remedial action. During the FDOT Funding Period, remedial action shall be taken by FDOT, with input from the Governing Board. Thereafter, remedial action shall be taken by the Governing Board, with input from the Technical Advisory Committee and the Customer Advisory Committee. If after an opportunity for the remedial action to correct the deficiency in ridership the train continues to fall below the minimum rider threshold for a period of three months, that train shall be discontinued unless otherwise agreed by the Commission with an unanimous vote of the Governing Board, or unless one or more Local Government Partners elect to continue the scheduling of the train and agree to unilaterally pay the full net costs of continuing the train (i.e., the
difference between the fares collected and/or allocated to that train and the fully allocated cost to
operate that train). For purposes of this Section, a "train" is a regularly scheduled trip originating at
one end of the Corridor at the respective time period of operations and terminating at the opposite end
of the Corridor at the respective time period of operations. This Section shall not be construed to
permit a reduction in Base Service to selected Stations.

SECTION 4.07. EXPANDED SERVICE AND EXTENDED SERVICE. Expanded Service
and Extended Service shall be approved pursuant to Section 3.05(E) of the Interlocal Governance
Agreement. Each proposal for Expanded Service or Extended Service shall include a specific funding
plan for the new service. During the FDOT Funding Period, Expanded Service and Extended Service
shall require the approval of FDOT. Contracts for excursion and special event trains complying with
the provisions of Section 4.12 hereof shall be exempt from the requirements of this Section.

SECTION 4.08. OPERATING RULES. FDOT shall develop initial operating rules for
Commuter Rail System service consistent with the Central Florida Operating and Management
Agreement and all Federal and State laws and regulations. Operating rules developed by FDOT after
the Commission and the Technical Advisory Committee have been established shall be reviewed by the
Technical Advisory Committee and the Governing Board before they are adopted and implemented;
provided however, Governing Board review shall not be required for issuance of operating bulletins,
speed restrictions, or other routine adjustments made for the daily operation of all trains on the Corridor
during the FDOT Funding Period. Following expiration of the FDOT Funding Period, all operating
rules shall be developed and approved by the Governing Board, subject to the Central Florida
Operating and Management Agreement and all applicable FRA and FTA regulations.

SECTION 4.09. MAINTENANCE.
(A) During the FDOT Funding Period, FDOT shall be responsible for maintenance of the Commuter Rail System, other than the Station Property, which shall be maintained by the Local Government Partner in whose boundaries the Station is located. Following expiration of the FDOT Funding Period, the Commission shall be responsible for maintenance of the Commuter Rail System, other than the Station Property. The Corridor shall be maintained in accordance with the standards set forth in the Central Florida Operating and Management Agreement.

(B) During the FDOT Funding Period, all of the components of the Commuter Rail System under FDOT control, including but not limited to the Corridor (including the Station Platforms), yards, maintenance facility, layover facilities and rolling stock, shall be maintained in a constant State of Good Repair.

SECTION 4.10. SECURITY. Prior to initiation of service, FDOT, in conjunction with the other Local Government Partners and in consultation with local law enforcement, shall prepare a safety and security plan which will include but not be limited to the various types of security required for the Commuter Rail System, minimum levels of security, security responsibilities, security procedures, and security coordination. During the FDOT Funding Period, FDOT shall be solely responsible for security on the Corridor (including the Station Platforms) and on trains in service. Following expiration of the FDOT Funding Period, the Commission shall be solely responsible for security on the Corridor (including the Station Platforms) and on trains in service. Each Responsible Local Government Partner shall be responsible for the costs of providing security for the Station Property.

SECTION 4.11. MARKETING. FDOT (during the FDOT Funding Period) and the Commission (following expiration of the FDOT Funding Period) shall develop and implement an annual plan for marketing the Commuter Rail System, which may include any and all forms of
advertising and promotion, including without limitation, all forms of media advertising (including television, radio, print, billboard, brochure and internet), direct mail and direct marketing. Expenses related to development and implementation of the annual marketing plan shall be paid by the Commuter Rail System as part of the Total Operating Cost. The Commission acknowledges and agrees that FDOT activities will be subject to applicable legal restrictions.

SECTION 4.12. EXCURSION AND SPECIAL EVENT TRAINS. The Chief Executive Officer may contract for special excursion and special event trains on the Commuter Rail System, provided that the party contracting for a special excursion or special event train pays the fully allocated cost to operate that train and the agreement conforms to the policies and procedures developed for such events, including provisions for insurance and indemnification.

SECTION 4.13. STAFFING.

(A) During the FDOT Funding Period, the FDOT shall have a Chief Executive Officer who may be either an employee or a contractor of the FDOT. Following expiration of the FDOT Funding Period, the Chief Executive Officer may be either an employee or a contractor of the Commission and shall report to the Governing Board. The Chief Executive Officer shall be responsible for the following tasks.

(1) Annual operating budgets shall be developed for the Commuter Rail System. During the FDOT Funding Period, each annual operating budget shall be submitted first to the Technical Review Committee for review and then to the Governing Board for comment prior to approval by FDOT. Following expiration of the FDOT Funding Period, each annual operating budget shall be submitted to the Technical Advisory Committee for review prior to approval by the Governing Board.
(2) A Five-Year Capital Plan, based upon the projected capital requirements for the succeeding five years, shall be prepared for each Fiscal Year. During the FDOT Funding Period, each Five-Year Capital Plan shall be submitted first to the Technical Advisory Committee for its review and then to the Governing Board for comment prior to approval by FDOT. Following expiration of the FDOT Funding Period, each Five-Year Capital Plan shall be submitted to the Technical Advisory Committee for review prior to approval by the Governing Board.

(3) During the FDOT Funding Period, to enhance and ensure the effectiveness of the Commuter Rail System service, the Chief Executive Officer shall provide timely and comprehensive operational input to and coordination with the Contract Operator and FDOT, and simultaneously provide operational information to the Commission. After the FDOT Funding Period, the Chief Executive Officer shall provide timely and comprehensive operational input to and coordination with the Commission and Contract Operator.

(4) Periodic written reports shall be submitted to the Technical Advisory Committee, Governing Board and, during the FDOT Funding Period, FDOT, using data obtained from the Contract Operator as to operational performance on the Corridor, and, as appropriate, financial or operational data obtained from each individual Local Government Partner.

(5) Additional duties and responsibilities pertaining to the Commuter Rail System may be assigned to the Chief Executive Officer by FDOT, during the FDOT Funding Period, and by the Governing Board, following expiration of the FDOT Funding Period.

(B) During the FDOT Funding Period, the FDOT shall have a Chief Operating Officer who
may be either an employee or a contractor of the FDOT. Following expiration of the FDOT Funding Period, the Chief Operating Officer may be either an employee or a contractor of the Commission and shall report to the Governing Board. The Chief Operating Officer shall be responsible for the following tasks:

1. Daily oversight of Commuter Rail System commuter rail operations and service to ensure compliance with service standards and budgets, including oversight of all contracted services.

2. Coordinate with the appropriate staff of each individual Local Government Partner, LYNX, VOTRAN and CSXT in the event of an emergency (such as the need for bus bridges, public service announcements, security, or railroad property issues).

3. Timely and comprehensive operational input to and coordination with the Chief Executive Officer and the Contract Operator in order to enable the FDOT (during the FDOT Funding Period) and the Commission (following expiration of the FDOT Funding Period) to effectively respond to the needs and requirements of the users of the Commuter Rail System and to enhance Commuter Rail System service and future expansions.

4. Develop and implement a Commuter Rail System fleet management plan and safety program plan shall be developed and implemented. The initial fleet management plan and safety program plan shall be submitted to the Local Government Partners for review. During the FDOT Funding Period, modifications to the fleet management plan and safety program plan shall be approved in the same manner as the initial plans. Following expiration of the FDOT Funding Period, modifications shall be submitted to the Technical Advisory Committee for review prior to approval by the Governing Board, FTA and FRA.
(5) Maintain a high standard of customer relations with all users of the Commuter Rail System.

(6) Performance of additional duties and responsibilities pertaining to the Commuter Rail System may be assigned by the Chief Executive Officer or FDOT during the FDOT Funding Period and by the Chief Executive Officer or the Governing Board following expiration of the FDOT Funding Period.

(C) FDOT shall have such other positions, as the FDOT may deem necessary for the effective operation and administration of the Commuter Rail System. It is anticipated that a limited staff will be required, and that the FDOT can place many of the services in the third party operations, maintenance and dispatch procurement, if determined economically and fiscally reasonable. These positions can be contracted out to a third party provider, either through a comprehensive procurement package (operate, maintain, dispatch), or individually. In addition, the FDOT may contract with other governmental entities for these positions. Following expiration of the FDOT Funding Period, staffing shall be established by the Governing Board.

SECTION 4.14. CONTRACT OPERATOR.

(A) During the FDOT Funding Period, FDOT shall contract with a Contract Operator to perform certain or all of the operational functions and activities necessary to provide commuter rail service, consistent with the Central Florida Operating and Management Agreement, including, but not limited to, the following responsibilities or activities:

(1) operation of the commuter rail trains in revenue and non-revenue service;

(2) maintenance of rolling stock;
(3) maintenance of the Corridor right-of-way within 25 feet of the centerline of the mainline tracks, or as otherwise determined by FDOT;

(4) signalization and dispatching on the Corridor;

(5) maintenance and security of the buildings, grounds, yard tracks, shop equipment and tools;

(6) at the maintenance yard and layover facilities; and

(7) all other operational activities.

(B) Any contract entered into by FDOT with a Contract Operator shall provide that it expires upon the expiration of the FDOT Funding Period unless the contract is assigned to the Commission pursuant to an assignment that effects a novation and releases the FDOT from being a party to the contract, in which case, the contract will continue for a period of three years following the FDOT Funding Period. Such contract shall provide that it can be assigned to the Commission.

SECTION 4.15. ADMINISTRATIVE FUNCTIONS.

(A) During the FDOT Funding Period, FDOT shall manage the contract with the Contract Operator, as well as obtain assistance for specific areas of expertise as FDOT deems necessary or appropriate. It is anticipated that most or all personnel will be employed by Contract Operator or as independent contractors. The Chief Executive Officer and Chief Operating Officer shall be employed or contracted separately from the Contract Operator and shall not be affiliated with the Contract Operator; provided, however, that nothing in this Interlocal Operating Agreement shall be deemed to impose any limitations or restrictions on what duties or functions FDOT decides to assign to FDOT employees. Following expiration of the FDOT Funding Period, the Governing Board shall be responsible for employing or contracting with staff and the Contract Operator.
(B) Commuter Rail System related staff and/or consultants shall perform administrative functions in accordance with a plan developed by the Chief Executive Officer, which shall be developed initially in consultation with the Technical Advisory Committee and reviewed by the Governing Board. During the FDOT Funding Period, modifications to the administrative plan shall be approved in the same manner as the initial plan. Following expiration of the FDOT Funding Period, modifications shall be submitted to the Technical Advisory Committee for review prior to approval by the Governing Board. The administrative plan shall minimize the costs associated with these functions. All administrative indirect costs incurred by an individual Local Government Partner (including but not limited to staff review, legal review and Technical Advisory Committee participation) shall be absorbed by the respective individual Local Government Partner incurring same, unless otherwise agreed by the FDOT, during the FDOT Funding Period, or the Governing Board, following expiration of the FDOT Funding Period.

(C) During the FDOT Funding Period, procurements and contracts for the Commuter Rail System shall be processed and administered in accordance with the procurement policies and procedures of FDOT and contracts shall be awarded under the name and authority of FDOT. Each contract entered into by FDOT for the Commuter Rail System shall provide for assignment to the Commission upon expiration of the FDOT Funding Period to the extent that it has not expired as of that time; provided, however, that no assignment will be made unless a novation is effected and FDOT is released from being a party to the contract. FDOT shall consider the advice of the Governing Board for major procurement actions.

(D) The main administrative office for management of the Commuter Rail System shall be located within the jurisdiction of one of the Local Government Partners, except that during the FDOT
Interlocal Operating Agreement

Funding Period, FDOT shall be entitled to house staff for the Commuter Rail System at such places as FDOT determines is necessary or appropriate.

SECTION 4.16. EMERGENCIES. During the FDOT Funding Period, FDOT shall handle emergency response. After the conclusion of an emergency, FDOT shall prepare a written report. FDOT shall provide a copy of the report to the Governing Board and the Technical Advisory Committee for their advice, within their respective roles, on any improved activities, methods, or equipment that could prevent or mitigate future emergencies.

ARTICLE V

FINANCIAL OBLIGATIONS

SECTION 5.01. ANNUAL FUNDING OBLIGATION AND LIMITATION.

(A) During the FDOT Funding Period, FDOT shall be entitled to retain the Total Operating Revenue of the Commuter Rail System and shall be obligated for payment of the Total Operating Cost of the Commuter Rail System, including any operating deficits.

(B) Following expiration of the FDOT Funding Period, the Commission shall be entitled to retain the Total Operating Revenue of the Commuter Rail System and shall be obligated for payment of the Total Operating Cost of the Commuter Rail System. The Share of Local Operating Support for each Local Government Partner shall be computed pursuant to Section 4.01 of the Interlocal Governance Agreement. Following expiration of the FDOT Funding Period, the Local Government Partners shall also be responsible for funding Debt Service on the FDOT Fixed-Guideway Bonds. The Share of FDOT Bond Debt Service for each Local Government Partner shall be computed pursuant Section 4.03 of the Interlocal Funding Agreement.

SECTION 5.02. FARES. Fares, the collection of fare revenue and use of fare collection
Interlocal Operating Agreement

(A) During the FDOT Funding Period, FDOT, with advice from the Governing Board, shall establish the amounts and categories of all Commuter Rail System fares. Following expiration of the FDOT Funding Period, the amounts and categories of all Commuter Rail System fares shall be established by the Governing Board.

(B) The fare system shall be a self-service, proof-of-payment system.

(C) During the FDOT Funding Period, procedures for collection and handling of passenger fares shall be established by FDOT. Following expiration of the FDOT Funding Period, any modifications to procedures for collection and handling of passenger fares shall be made by the Governing Board. FDOT (during the FDOT Funding Period) or the Commission (following expiration of the FDOT Funding Period) shall monitor compliance of passengers to ensure compliance with the fare policy, and shall also be responsible for coordinating issues of fare evasion with local law enforcement officials.

(D) Ticket vending machines shall be capable of selling tickets for use throughout the LYNX and VOTRAN service areas if LYNX and VOTRAN machines have the same capability.

(E) FDOT (during the FDOT Funding Period) or the Commission (following expiration of the FDOT Funding Period) shall be solely responsible for the maintenance and the collection of revenue from ticket vending machines on the Station Platforms.

(F) In determining the source and amount of passenger fare revenue to be allocated to the Commuter Rail System by LYNX and VOTRAN as joint revenue, a survey of passengers shall be conducted on an annual basis or at some other frequency as determined by FDOT (during the FDOT Funding Period) or the Commission (following expiration of the FDOT Funding Period) to ascertain
where the passenger boarded the train, other modes of transportation service utilized, the type of fare utilized for their trip (e-pass, monthly pass, cash, etc.) and from which service provider (LYNX, VOTRAN or the Commuter Rail System) the fare was purchased. The data from these surveys shall be used to determine the percentage of total passenger trips to be allocated to each mode of service.

FDOT, with advice from the Governing Board (during the FDOT Funding Period) or the Governing Board (following expiration of the FDOT Funding Period), shall approve an Average Fare based upon the results of these surveys and the methodologies and assumptions utilized to calculate the Average Fare. This Average Fare shall then be applied to joint ridership statistics to determine Commuter Rail System passenger fare revenue.

SECTION 5.03. ANNUAL BUDGETS.

(A) During the FDOT Funding Period the annual operating budget of the Commuter Rail System for each Fiscal Year shall be adopted by FDOT as follows:

1. FDOT shall propose an annual operating budget and a Five-Year Capital Plan that shall be submitted to the Governing Board for review;

2. any proposed amendments to the annual operating budget or the Five-Year Capital Plan shall also be submitted to the Governing Board for review;

3. the operating budget and Five-Year Capital Plan shall be developed on a State fiscal year basis, which commences on July 1 and continues through the next succeeding June 30, in accordance with Florida law applicable to FDOT and the state budgeting process.

(B) Following expiration of the FDOT Funding Period, the operating budget and Five-Year Capital Plan shall be adopted by the Governing Board prior to July 1 of each year, on a county fiscal year basis, which commences on October 1 and continues through the next succeeding September 30,
in accordance with Florida law applicable to counties.

(C) Capital projects constructed for the primary purpose of serving the residents of a single Local Government Partner, for example, a new or improved Station, improvements to the Deland Spur or the Aloma Spur, shall be funded by such Local Government Partner and not included in the Five-Year Capital Plan.

SECTION 5.04. ACCOUNTING AND REPORTING.

(A) During the FDOT Funding Period, the Total Operating Revenue and Total Operating Cost of the Commuter Rail System shall be accounted for separately from all other FDOT funds. FDOT shall maintain all accounts and reports required by Florida law and shall provide all information and reports reasonably requested by the Governing Board or the individual Local Government Partners.

(B) FDOT (during the FDOT Funding Period) and the Commission (following expiration of the FDOT Funding Period) shall adhere to all applicable State, Federal, and FTA related reporting requirements, including but not limited to National Transit Data Base information. Boarding and alighting count information shall be collected in accordance with FTA reporting requirements, and provided as input to the operations and maintenance budgeting process.

(C) FDOT (during the FDOT Funding Period) and the Commission (following expiration of the FDOT Funding Period) shall ensure that the Local Government Partners timely receive sufficient accounting and financial information so as to enable these entities to fulfill their financial reporting and auditing obligations.

SECTION 5.05. FDOT ANNUAL APPROPRIATIONS. Notwithstanding any other provision of this Interlocal Operating Agreement, in compliance with Section 339.135(6)(a), Florida Statutes, the following language and provisions thereof are hereby made a part of this Interlocal
The FDOT, 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 prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000.00 and which have a term for a period of more than 1 year.

ARTICLE VI

GENERAL PROVISIONS

SECTION 6.01. TERM. This Interlocal Operating Agreement shall become effective when fully-executed copies of the Interlocal Governance Agreement, the Interlocal Funding Agreement and this Interlocal Operating Agreement have been filed with the clerk of the circuit court, or as otherwise required by law, for each of the Local Government Partners and, unless terminated earlier pursuant the terms hereof, shall extend for a term of ninety-nine years.

SECTION 6.02. TERMINATION.

(A) Except as provided herein, this Interlocal Operating Agreement shall not be terminated
prior to conveyance of the Corridor, the Station Property, and the rolling stock, equipment and other personal property of the Commuter Rail System, as described in Section 3.05 hereof.

(B) Although all parties to this Interlocal Operating Agreement fully expect the Commuter Rail System to be successful and are committed to fulfilling any and all requirements of this Interlocal Operating Agreement for the entire ninety-nine year term, the parties are cognizant that certain unforeseen events may result in cessation of operation of the Commuter Rail System at an earlier date and desire to set forth the consequences of such event. For the purposes of this subsection "cessation of operation of the Commuter Rail System" shall mean that that the Commuter Rail System is no longer available for use by the public as a means of transportation. Termination of this Interlocal Operating Agreement and cessation of operation of the Commuter Rail System shall not occur except in accordance with the following:

(1) Mutual Consent. This Interlocal Operating Agreement may be terminated at any time, by the written agreement of FDOT and the Commission.

(2) Force Majeure. If an event of Force Majeure causes, continues, or is likely to cause the continuation of the Commuter Rail System to be impractical for a period of one year or more, the FDOT, during the FDOT Funding Period, or the Commission, after the FDOT Funding Period, may terminate this Interlocal Operating Agreement. Upon such termination all assets of the Commuter Rail System, the Corridor (including the Station Platforms), the Station Property, and all other facilities, equipment and supplies shall revert or be conveyed to FDOT and the assignment of the Central Florida Operating and Management Agreement to the Commission shall simultaneously be terminated. Said reverter shall become effective within thirty days of notice from the FDOT to the Commission and shall not require action of the
Commission; provided, however, that the Commission agrees to execute such documents as FDOT may reasonably request in the event that FDOT deems it convenient or necessary to confirm the reverter. Any such conveyance shall be made without payment of additional compensation to the Commission or Local Government Partners by FDOT. FDOT may elect, in its sole discretion, to continue operating the Commuter Rail System or dispose of the Commuter Rail System assets in accordance with law. If FDOT elects to dispose of the Commuter Rail System assets, 50 percent of any net funds remaining after payment of other obligations and expenses shall be shared with the Local Government Partners in proportion to each Local Government Partner's Initial Capital Contribution. The requirements set forth in this clause (2) shall survive the termination of this Interlocal Operating Agreement.

(3) Failure of Conditions. If the conditions for termination as set forth in Section 3.02 occur, then this Interlocal Operating Agreement shall be terminated and the following shall apply:

(a) Any portion of the Preliminary Engineering Contributions made by the Local Government Partners that has not yet been expended, assuming the Preliminary Engineering Contributions constituted twenty-five percent of each expenditure for preliminary engineering, shall be returned by FDOT to the Local Government Partners.

(b) Any portion of the Station Property Contributions made by the Local Government Partners that has not yet been expended, assuming the Station Property Contributions constituted twenty-five percent of the total expenditures for the acquisition of Station Property, shall be returned by FDOT to the Local Government Partners. FDOT shall sell any Station Property that has been acquired and 25 percent of
the net proceeds remaining after payment of other obligations and expenses shall be used to reimburse the Local Government Partner whose Station Property Contribution was applied to such acquisition.

(c) Any portion of the Final Design Contributions made by the Local Government Partners that has not yet been expended, assuming the Final Design Contributions constituted twenty-five percent of the total expenditures for Final Design, shall be returned by FDOT to the Local Government Partners.

The requirements set forth in subclauses (a), (b) and (c) of this clause (3) shall survive the termination of this Interlocal Operating Agreement.

(4) Phase I Contingency.

In the event of any one of the following:

(a) FTA does not approve FDOT's entry into the final design process for Phase I prior to July 31, 2008; or

(b) Funding for the Commuter Rail System has not been included in the President's budget prior to July 31, 2008; or

(c) FDOT is unable to enter into a guaranteed maximum design-build or other firm-fixed price contract for Phase I equal to or less than 105 percent of the Phase I Cost Estimate, and the parties cannot agree upon either (i) a reduction in scope agreed to by the contractor that reduces the price to an amount that is equal to or less than 105 percent of the Phase I Cost Estimate, or (ii) additional funding sufficient to cover the price is not obtained in accordance with the Interlocal Funding Agreement; then this Interlocal Operating Agreement shall be terminated and the provisions of Subclauses
6.02(B)(3)(a), (b), and (c) shall apply. The requirements set forth in this clause (4) shall survive the termination of this Interlocal Operating Agreement.

(5) **Phase II Contingency.** In the event that Phase II does not proceed through construction and Commissioning, the FDOT, the Commission, and the Local Government Partners agree to discuss the impacts and renegotiate this Interlocal Operating Agreement and the Interlocal Funding Agreement.

(6) **Other Events.** In the event (a) any party to this Interlocal Operating Agreement or the Commission shall fail to pay any funds when due, or shall fail to issue when required any securities, guarantees, or credit enhancements required by this Interlocal Operating Agreement, or shall otherwise be in material breach of this Interlocal Operating Agreement, and in each case all applicable cure rights have been exhausted, and sufficient funds to replace such unpaid funds are not forthcoming from other sources, (b) the Commuter Rail System cannot be successfully operated with an annual System Operating Deficit less than or equal to the amounts specified in Section 4.01(F) of the Interlocal Governance Agreement or (c) operation of the Commuter Rail System is suspended or terminated for a period longer than 180 days (other than as the result of a Force Majeure event, for which the time period shall be one year), unless otherwise agreed by the parties, then the FDOT, during the FDOT Funding Period, or the Commission, after the FDOT Funding Period, may terminate this Interlocal Operating Agreement. Upon such termination all assets of the Commuter Rail System, the Corridor (including the Station Platforms), the Station Property, and all other facilities, equipment and supplies shall revert or be conveyed to FDOT and the assignment of the Central Florida Operating and Management Agreement to the Commission shall simultaneously be terminated.
Said reverter shall become effective within thirty days of notice from the FDOT to the Commission and shall not require action of the Commission; provided, however, that the Commission agrees to execute such documents as FDOT may reasonably request in the event that FDOT deems it convenient or necessary to confirm the reverter. Any such conveyance shall be made without payment of additional compensation to the Commission by FDOT. FDOT shall elect, in its sole discretion, to continue operating the Commuter Rail System or dispose of the Commuter Rail System assets in accordance with law. If FDOT elects to dispose of the Commuter Rail System assets, 50 percent of any net funds remaining after payment of other obligations and expenses shall be shared with the Local Government Partners in proportion to each Local Government Partner's Initial Capital Contribution. The requirements set forth in this clause (6) shall survive the termination of this Interlocal Operating Agreement.

(C) FDOT and the Commission expressly acknowledge that the Local Government Partners are directly and substantially benefited by the termination provisions set forth in this Section 6.02 and agree that the terms of this Section 6.02 may be enforced by each of the Local Government Partners.

SECTION 6.03. ASSIGNMENT. Following conveyance of the Corridor and the rolling stock, equipment and other personal property of the Commuter Rail System, as described in Section 3.05 hereof, this Interlocal Operating Agreement may be assigned to a successor agency created to own and operate the Commuter Rail System, provided that:

(1) The successor agency has been created in such a manner and with such powers, duties, and responsibilities as to not, in the reasonable judgment of FDOT, impair the position of FDOT or impair the ability of the successor agency to fully assume the position of the Commission under this Interlocal Operating Agreement; and
(2) The successor agency executes a written assignment of this Interlocal Operating Agreement from the Commission to the successor agency; and

(3) The successor agency executes a written assignment of the Central Florida Operating and Management Agreement from FDOT to the successor agency pursuant to which the successor agency agrees to assume and fully comply with the obligations of FDOT under the Central Florida Operating and Management Agreement, except to the extent of FDOT's retained rights.

SECTION 6.04. ADVISORY RELATIONSHIPS.

(A) During the FDOT Funding Period, the Governing Board shall serve primarily in an advisory capacity to FDOT; provided however, that FDOT shall not be empowered to make any decision materially affecting the long-term funding for the Commuter Rail System (limited to capital investment decisions that would extend beyond the FDOT Funding Period or increases in the Base Service) without consent from the Governing Board. The Governing Board shall advise FDOT on decisions in respect to the Commuter Rail System including, but not limited to, service, fare policy, funding, procurement, operations, maintenance, and capital programs, reviewing the annual budget, and financing. FDOT shall give careful thought, consideration, and appropriate weight to the findings and recommendations of the Governing Board.

(B) Not later than six months prior to expiration of the FDOT Funding Period, the Governing Board shall complete a transition and implementation plan that will ensure a safe and orderly transition of the management and operation of the Commuter Rail System and Corridor.

(C) Upon expiration of the FDOT Funding Period, FDOT shall serve in an advisory capacity to the Commission. FDOT shall advise the Governing Board on decisions in respect to the Commuter
Rail System including, but not limited to, service, fare policy, funding, procurement, operations, maintenance, and capital programs, reviewing the annual budget, and financing. The Governing Board shall give careful thought, consideration, and appropriate weight to the findings and recommendations of FDOT.

(D) Disagreements between the Governing Board and FDOT shall be subject to the dispute resolution procedures set forth in Section 6.05 hereof.

SECTION 6.05. RESOLUTION OF DISPUTES. It is the desire and intent of the parties to avoid, if possible, the expense and delay inherent in litigation; therefore, the FDOT and the Commission agree that whenever any individual party cannot resolve an issue with any other party, the affected parties will in engage in the alternative dispute resolution process described below prior to resorting to litigation.

(A) Any party may give another party written notice of any dispute not resolved in the normal course of business. Within ten business days after delivery of the notice, the receiving party shall submit to the disputing party a written response. The notice and the response shall include (1) a statement of the position of the party delivering the notice of dispute or the response, as the case may be, and a summary of arguments supporting its position and (2) the name and title of the executive who will represent that party in the negotiation to resolve the dispute and of any other person who will accompany the executive.

(B) Within ten business days after delivery of the disputing party's notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored. In an effort to facilitate the negotiation process, such
executives may agree to have an unrelated third party moderate and facilitate the negotiations. If a
negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at
least three business days notice of such intention and may also be accompanied by an attorney.

(C) If the dispute has not been resolved within thirty calendar days after delivery of the
disputing party's notice, or if the parties fail to meet within twenty calendar days, either party may give
written notice to the other party declaring the negotiation process terminated.

(D) The parties regard the obligations to notify the other party of a dispute and to negotiate
such dispute pursuant to this Section as an essential provision of this Interlocal Operating Agreement
and one that is legally binding on each of them. In case of a violation of such obligation by either
party, the other may bring an action to seek enforcement of such obligation in any court of law having
jurisdiction thereof.

(E) Each party shall each bear its own costs and expenses incurred in connection with any
negotiations and dispute resolution.

(F) Upon failure to resolve any dispute in accordance in this Section 6.05, the parties may
engage in mediation, arbitration, or other dispute resolution processes at their discretion, or pursue
other legal remedies.

SECTION 6.06. FORCE MAJEURE. It is expressly understood and agreed by the
parties to this Interlocal Operating Agreement that if the performance of any provision of this Interlocal
Operating Agreement is delayed by reason of war, civil commotion, act of God, governmental
restrictions, regulations or interferences, fire or other casualty, court injunction, or any circumstances
which are reasonably beyond the control of the party obligated or permitted under the terms of this
Interlocal Operating Agreement to do or perform the same, the party so obligated or permitted shall be
excused from doing or performing the same during such period of delay, so that the period of time
applicable to such requirement shall be extended for a period of time equal to the period of time such
party was delayed.

SECTION 6.07. INSURANCE AND LIABILITY.

(A) During the FDOT Funding Period, the FDOT shall carry such insurance and have such
liability as is set forth in the Central Florida Operating and Management Agreement. The Commission
and the Local Government Partners as well as their respective elected or appointed officials,
management, employees, agents and assigns will be additional named insureds under any insurance
policies. After the FDOT Funding Period, the Commission, as required by the assignment referred to
in Section 3.05 hereof, shall carry such insurance and have such liability as is set forth in the Central
Florida Operating and Management Agreement, and FDOT will be an additional named insured under
any such insurance policy.

(B) Execution of this Interlocal Operating Agreement by the Commission is not intended
and shall not be construed as an assumption by the Local Government Partners of any liability incurred
by FDOT or the Commission. The Commission and FDOT acknowledge that Local Government
Partners do not assume any direct obligation for payment of any amounts not expressly required by this
Interlocal Governance Agreement or the Interlocal Funding Agreement, including, but not limited to
obligations or liabilities incurred in connection with operation of the Commuter Rail System or
assigned by FDOT and accepted by by the Commission under the Central Florida Operating and
Management Agreement.

SECTION 6.08. THIRD PARTY CONTRACTORS. If any portion of the Commuter
Rail Service is contracted to another party, FDOT during the FDOT Funding Period and the
Commission after the FDOT Funding Period, will require the contracted party to indemnify the FDOT and the Commission against negligent acts or omissions of the contracted party and shall require the contracted party to carry such insurance as is reasonable under the circumstances. The Commission, the FDOT, and the Local Government Partners shall be named insureds under such policies.

SECTION 6.09. CHANGED CIRCUMSTANCES. If future Federal, State or local statute, ordinance, regulation, rule or action render this Interlocal Operating Agreement, wholly or in part, illegal, invalid, unenforceable or impractical, the parties agree to delete and/or to modify such portions of the Interlocal Operating Agreement as are necessary to render it valid, enforceable and/or practical. Each section, paragraph or provision of this Interlocal Operating Agreement shall be considered severable, and if for any reason any section, paragraph, or provision herein is determined to be invalid under current or future law, regulation or rule, such invalidity shall not impair the operation of or otherwise affect the valid portions of this instrument. In the event that a future Federal, State or local statute, ordinance, regulation, rule or action renders this Interlocal Operating Agreement in whole illegal, invalid, unenforceable or impractical and either one or more of the parties to this Interlocal Operating Agreement agree that it is impossible or impractical to continue to operate the Commuter Rail System, then this Interlocal Operating Agreement, if not already terminated by operation of law, may be terminated.

SECTION 6.10. NOTICES. Whenever this Interlocal Operating Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the content, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to and received by the party intended to receive it (A) by hand delivery to the person(s) hereinafter designated, or (B) by overnight hand delivery addressed as follows, or (C) through the
Interlocal Operating Agreement

United States Mail, postage prepaid, certified mail, return-receipt requested, or (D) delivered and received by facsimile telephone transmission or other electronic transmission (provided that an original of the electronically transmitted document is delivered within five (5) days after the document was electronically transmitted) upon the date so delivered to and received by the person to whom it is at the address set forth opposite the party's name below:

Party Principal & Address With a copy to:

COMMISSION:

FDOT: District Five Secretary District Five General Counsel
719 South Woodland Boulevard 719 South Woodland Boulevard
DeLand, Florida 32720 Deland, FL 32720
Telephone: (386) 943-5476 Telephone: (386) 943-5492
FAX: (386) 740-2675 FAX: (386) 736-5500

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

SECTION 6.11. ENFORCEMENT. If any party initiates an action to enforce any provision of this Interlocal Operating Agreement or for damages by reason of an alleged breach of any provision hereof, FDOT, the Commission, and each Local Government Partner shall pay its own costs, and expenses, and attorneys' fees and costs incurred in connection with such action.

SECTION 6.12. COUNTERPARTS. This Interlocal Operating Agreement may be executed in multiple counterparts. Each such counterpart shall be deemed an original of this Interlocal
Operating Agreement, so that in making proof of this Interlocal Operating Agreement, it shall only be necessary to produce or account for one such counterpart.

SECTION 6.13. CONCURRENT AGREEMENTS. This Interlocal Operating Agreement is being entered into in conjunction with the Interlocal Funding Agreement between FDOT and Orange County, Osceola County, Seminole County, the County of Volusia, and the City of Orlando, and these two agreements, being pari materia, must be construed with reference to one another and neither agreement shall have precedence over the other. Furthermore, these two Agreements encompass all prior negotiations, correspondence, conversations, agreements, and understandings of the parties relating to the subject matter, supersede all prior understandings and agreements regarding such subject matter, and may not be amended, modified, or supplemented except by an instrument or instruments in writing executed by all of the parties.

SECTION 6.14. SEVERABILITY. In the event any one or more of the provisions contained in this Interlocal Operating Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Interlocal Operating Agreement shall be revised so as to cure such invalid, illegal or unenforceable provision to carry out as nearly as possible the original intent of the parties.

SECTION 6.15. CONTRACTUAL RELATIONSHIP. It is specifically understood and agreed that the relationship described in this Interlocal Operating Agreement by and between the FDOT and the Commission is contractual in nature and is not to be construed to create a partnership or joint venture or agency relationship between the parties. Nor, shall FDOT and the Commission liable for any debts or liabilities incurred by the other party to this Interlocal Operating Agreement except as provided herein, or for non-commuter rail service operations or activities.
SEC. 6.16. GOVERNING LAW AND VENUE. This Interlocal Operating Agreement and all agreements entered into in connection with the transactions contemplated by this Interlocal Operating Agreement are, and will be, executed and delivered, and are intended to be performed in Orange County, Osceola County, Seminole County and the County of Volusia. The laws of Florida shall govern the validity, construction, enforcement, and interpretation of this Interlocal Operating Agreement. In the event of litigation among the parties hereto, their successors or assigns, with regard to this Interlocal Operating Agreement and any subsequent supplementary agreements or amendments, venue shall lie exclusively in the county where the administrative offices of the Commuter Rail System are located.

SEC. 6.17. FURTHER ASSURANCES. Each party agrees to perform any further acts and to sign and deliver any further documents that may be reasonably necessary to carry out the provisions of this Interlocal Operating Agreement.

EXECUTED by the following to be effective upon the date as herein provided:

By and For the Central Florida Commuter Rail Commission:

By and For The State of Florida Department of Transportation:

Date: ____________________
Interlocal Operating Agreement

Secretary, District Five

Date: ____________________

Legal Review

Date: ____________________

Office of Comptroller

DRAFT 7/4/07

APPENDIX A

MASTER GLOSSARY

APPENDIX B

DEPICTION OF THE CORRIDOR

APPENDIX C

DESCRIPTION OF THE PHASE I AND PHASE II IMPROVEMENTS

1. The Central Florida Commuter Rail Transit Project is proposed to operate on the existing CSX Transportation, Inc. (CSXT) A-line rail corridor from the existing Deland Amtrak Station in Volusia County, south through downtown Orlando and Kissimmee until its terminus at the Poinciana Industrial Park at the intersection on US 17-92 and the CSXT tracks in Osceola County, a distance of 60.8 miles.

2. The project is proposed to be built in two phases, the north corridor in Phase I, and the south corridor in Phase II. Phase I would extend approximately 32.54 miles from the Fort Florida Road station (DeBary) to Sand Lake Road station. Twelve stations are anticipated to be included in Phase I located at Fort Florida Road (DeBary), Sanford, Lake Mary, Longwood, Altamonte Springs,
Maitland, Winter Park, Florida Hospital, LYNX Central Station, Church Street (downtown Orlando), and Orlando Amtrak/ORMC. Phase I has a proposed 14 miles of additional 2nd track being added to the existing 13 miles of double track.

3. The south corridor, Phase II, would extend from Sand Lake Road to Poinciana Industrial Park. There are approximately 5 miles of double track in the south with 19 miles proposed. Four stations will be included in Phase II located at Meadow Woods, Osceola Parkway, Kissimmee Amtrak, and Poinciana Industrial Park.

4. At the request of Volusia County, Phase II would also include the extension of the Commuter Rail System from the Fort Florida Road station (DeBary) to the DeLand Amtrak station, an additional eleven miles. One station would be included in this segment of Phase II located at the DeLand Amtrak Station. In addition, it is proposed that approximately 11 miles of double tracking will be added.

5. The primary infrastructure requirements include a new signal system, approximately 35 miles of new 2nd track, 16 stations, a Vehicle Storage and Maintenance Facility, and two end-of-the-line midday layover facilities. Commuter rail service would be operated with Federal Railroad Administration (FRA) compliant Diesel Multiple Unit (DMU) cars.

6. The foregoing description is that which is contemplated to be constructed as of the date of this Interlocal Operating Agreement. However, the parties understand and agree that due to changed circumstances that the project may be modified from time to time in accordance with the terms of this Agreement.

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APPENDIX D
FORM OF COMMUTER RAIL EASEMENT

APPENDIX E

FORM OF CONTRACT FOR SALE AND PURCHASE

APPENDIX F

FORM OF CENTRAL FLORIDA OPERATING AND MANAGEMENT AGREEMENT

APPENDIX G

PROPOSED LEGISLATION
APPENDIX A

MASTER GLOSSARY OF TERMS FOR CENTRAL FLORIDA COMMUTER RAIL SYSTEM AGREEMENTS

DEFINITIONS

As used in the Interlocal Governance Agreement, the Interlocal Operating Agreement and the Interlocal Funding Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Average Fare" means the average fare paid for passage on the Commuter Rail System, as calculated pursuant to Section 5.02(F) of the Interlocal Operating Agreement.

"Base Service" means commuter rail service provided in accordance with the standards set forth in Section 4.05 of the Interlocal Operating Agreement, as adjusted pursuant to Sections 4.06 and 4.07 of the Interlocal Operating Agreement.

"Boarding Share" means the share of passenger boardings computed for each Local Government Partner pursuant to Section 4.01(A) of the Interlocal Governance Agreement.

"Capital Cost" means costs properly attributable to the acquisition of the Station Property and the construction, installation and equipping of Phase I and Phase II under generally accepted accounting principles applicable to the Commuter Rail System.

"Central Florida Operating and Management Agreement" means that certain Central Florida Operating and Management Agreement between CSXT and FDOT, in substantially the form attached to the Interlocal Operating Agreement as Appendix F, delineating the rights and responsibilities of FDOT and CSXT for the control, dispatch, operation, maintenance, and management of the Corridor and for freight and passenger rail service on the Corridor.

"Chief Executive Officer" means the chief executive officer of the Commuter Rail System appointed pursuant to Section 4.13(A) of the Interlocal Operating Agreement.
"Chief Operating Officer" means the chief operating officer of the Commuter Rail System appointed pursuant to Section 4.13(8) of the Interlocal Operating Agreement.

"City of Orlando" means the City of Orlando, a municipal corporation organized under the laws of the State of Florida.

"Commuter Rail System" means the Central Florida Commuter Rail Transit System, a Fixed Guideway Transit System that shall operate within the Corridor, as described in the Interlocal Operating Agreement.

"Commission" means the Central Florida Commuter Rail Commission created by the Interlocal Governance Agreement.

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

"Commuter Rail Easement" means the easement for use of the Corridor (including the Station Platforms), maintenance facility, layover facility, and other real property used or held for use by the Commuter Rail System, attached to the Interlocal Operating Agreement as Appendix D, which will be executed and delivered by FDOT to the Commission pursuant to Section 3.05(8) of the Interlocal Operating Agreement.

"Construction Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Construction in Section 4.01(B) of the Interlocal Funding Agreement.
"Contract for Sale and Purchase" means certain Contract for Sale and Purchase between CSXT and FDOT, in substantially the form attached to the Interlocal Operating Agreement as Appendix E, which, subject to certain conditions precedent, provides for acquisition of the Corridor by FDOT, subject to a retained perpetual easement for Rail Freight Services.

"Contract Operator" means a third-party, independent contractor or contractors procured to operate, maintain and dispatch the Commuter Rail System's commuter passenger trains and maintain the Corridor.

"Corridor" means the railroad corridor formerly known as CSXT's A-Line between Milepost A749.7 near DeLand, Florida and Milepost A814.1 near Poinciana, Florida, a distance of approximately 61.54 miles through which the Commuter Rail System will operate, as depicted in Appendix B. The term "Corridor" includes the Station Platforms.

"Corridor Access Management" means managing, directing, and controlling the occupation, use, and access to the Corridor in a manner consistent with freight and passenger rail services in accordance with this Interlocal Agreement and the Central Florida Operating and Management Agreement.

"County of Volusia" means the County of Volusia, a charter county and political subdivision of the State.

"CSXT" means CSX Transportation, Inc., a corporation organized and existing under the laws of the State of Virginia and authorized to do business in the State.

"Customer Advisory Committee" means the advisory committee created pursuant to Section 3.08 of the Interlocal Governance Agreement.
"Debt Service" means an amount equal to the sum of the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the FDOT Fixed-Guideway Bonds during each Fiscal Year of the Local Government Partners as such payments become due (provided that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments shall be deemed to become due in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration) during or prior to such Fiscal Year.

"Diesel Multiple Unit" means a steel wheel on steel rail transit vehicle that is self-propelled, with the capacity to operate independently and pull non-powered cars. The Commuter Rail System intends to utilize FRA compliant (49 CFR Part 238 specifications for compression testing) Diesel Multiple Units, which pass the FRA 800,000-pound structural buff load test and have the ability to run in mixed freight service on existing track.

"District Secretary" means the FDOT District Secretary for District 5, in which the Commuter Rail System is located.

"Extended Service" means the provision of service to any Station not listed in Appendix C to the Interlocal Operating Agreement.

"Expanded Service" means increased headways and service frequencies, additional peak and off peak service, additional night, weekend or Holiday service, special event service and other service increases.

"Farebox Revenue" means fares paid for passage on the Commuter Rail System.
"FDOT" means the State of Florida Department of Transportation, an agency of the State of Florida.

"FDOT Fixed-Guideway Bonds" means the debt obligations initially issued by FDOT to acquire the Corridor and relocate the Taft Yard Facility, as described in Section 4.03(A) of the Interlocal Funding Agreement and any obligations issued for purposes of refunding pursuant to Section 4.05 of the Interlocal Funding Agreement.

"FDOT Funding Period" means the period commencing on the Revenue Operation Date and ending on the first day of the calendar month following expiration a seven-year period, during which FDOT is obligated to fund operating deficits of the Commuter Rail System and Debt Service on the FDOT Fixed-Guideway Bonds.

"Final Design Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Final Design in Section 4.01(B) of the Interlocal Funding Agreement.

"Fiscal Year" means (A) during the FDOT Funding Period, the fiscal year for State government, which commences on July 1 and continues through the next succeeding June 30, or (B) following expiration of the FDOT Funding Period, the fiscal year for county government, which commences on October 1 and continues through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for either level of government.

"Five-Year Capital Plan" means a five-year capital plan for capital improvements to the Commuter Rail System including, but not limited to: new track materials and installation (including rails, ties, ballast, switches, fasteners, etc); bridge and culvert upgrades and replacements (supply, fabricate and install); signals and communications equipment upgrades and replacements; at-grade crossing improvements; vehicle storage and maintenance facility
improvements and equipment; maintenance of way equipment and vehicles: control center improvements; station improvements, amenities and equipment upgrades; fare collection equipment and upgrades; Diesel Multiple Unit upgrades; additional Diesel Multiple Units; and parking lot improvements and expansions.

"Fixed Guideway Transit System" means a system used for the transportation of people and goods by means of, without limitation, a street railway, an elevated railway having a fixed guideway, a commuter railroad, a subway, and includes a complete system of tracks, stations, and rolling stock necessary to effectuate passenger service to or from the neighboring regional communities.

"FRA" means the Federal Railroad Administration.

"FTA" means the Federal Transit Administration.

"FTA Funds" means Federal grant funds provided by FTA under the Full Funding Grant Agreement.

"Full Funding Grant Agreement" means the Full Funding Grant Agreement to be entered into by FTA and FDOT pursuant to 49 U.S.C. Section 5309, pursuant to which FTA will provide Federal funds for acquisition and construction of the Commuter Rail System.

"Funding Determination Year" means the 12-month period ending on March 31.

"Governing Board" means the governing body of the Commission established pursuant to Section 3.03 of the Interlocal Governance Agreement.

"Holiday" means a holiday designated by law (currently, Section 110.117, Florida Statutes) as paid holidays observed by all State branches and agencies.
"Initial Capital Contribution" means, for each Local Government Partner, the Preliminary Engineering Contribution, the Station Property Contribution, the Final Design Contribution and the Construction Contribution.

"Interest Payment Date" means the date on which each payment of principal and/or interest becomes due on the FDOT Fixed-Guideway Bonds.

"Interlocal Agreement" means this Interlocal Agreement for Development and Operation of the Central Florida Commuter Rail Transit System and Creation of the Central Florida Commuter Rail Commission, among Orange County, Osceola County, Seminole County, the County of Volusia, the City of Orlando and FDOT.

"Local Capital Cost" means the Capital Cost of implementing the Five-Year Capital Plan following expiration of the FDOT Funding Period, after deducting State and Federal contributions.

"Local Farebox Revenue" means the amount computed for each Local Government Partner pursuant to Section 4.01(C) of the Interlocal Governance Agreement.

"Local Government Partner" means Orange County, Osceola County, Seminole County, the County of Volusia and the City of Orlando.

"Local Station Revenue" means any Station revenue described in Section 3.02(B) of the Interlocal Funding Agreement.

"Maintenance of Way" means those labor, materials and equipment that are required to maintain the Corridor, including but not limited to mowing, replacing and repairing ballast, replacing and repairing rails, signals and switches, undertaking minor bridge maintenance and performing other activities required to safely operate the rail service.
"Member" means a member of the Governing Board, as designated in Section 3.03 of the Interlocal Governance Agreement.

"Non-Peak Hours" means 5:00 a.m. – 5:30 a.m., 8:30 a.m. – 3:30 p.m. and 6:30 p.m. to midnight, Monday through Friday.

"Non-Ad Valorem Funds" shall mean all revenues of the Local Government Partner derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments required herein, but only after provision has been made by the Local Government Partner for the payment of all essential or legally mandated services; provided however, that unless otherwise agreed to by FDOT, the term "Non-Ad Valorem Funds does not include Federal funds.

"Operating Revenue Without Farebox" means Total Operating Revenue less Farebox Revenue.

"Orange County" means Orange County, a charter county and political subdivision of the State.

"Osceola County" means Osceola County, a charter county and political subdivision of the State.

"Peak Hours" means 5:30 a.m. – 8:30 a.m. and 3:30 p.m. – 6:30 p.m., Monday through Friday, excluding Holidays.

"Phase I" means acquisition of the Corridor and construction of the portion of the Commuter Rail System expected to be operational in 2009, as described in Appendix C to the Interlocal Operating Agreement.
"Phase I Cost Estimate" means $388,184,000, which includes the estimated cost of preliminary engineering for Phase I and Phase II, acquisition of Station Property for Phase I and Phase II, final design for Phase I and construction of Phase I.

"Phase II" means construction of the portion of the Commuter Rail System expected to be operational in 2013, as described in Appendix C to the Interlocal Operating Agreement.

"Phase II Cost Estimate" means $217,216,000, which includes the estimated cost of final design for Phase II and construction of Phase II.

"Preliminary Engineering Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Engineering in Section 4.01(B) of the Interlocal Funding Agreement.

"Rail Freight Service" means the transportation by rail of property and movable articles of every kind, character and description over the Corridor, as permitted under the perpetual easement retained by CSXT pursuant to the Contract for Sale and Purchase.

"Responsible Local Government Partner" means, with respect to Article V and Article VI hereof, the County within which a Station is located, except that the Responsible Local Government Partner shall mean the City of Orlando (and not Orange County) with respect to any Station located within the jurisdiction of the City of Orlando.

"Revenue Operation Date" means 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 and shall have the same meaning as used by the FTA.

"Seminole County" means Seminole County, a charter county and political subdivision of the State.
"Share of Local Capital Cost" means the amount computed for each Local Government Partner pursuant to Section 4.02(B) of the Interlocal Governance Agreement.

"Share of Local Operating Support" means the amount computed for each Local Government Partner pursuant to Section 4.01(D) of the Interlocal Governance Agreement.

"Share of Local Operating Support Without Farebox" means the amount computed for each Local Government Partner pursuant to Section 4.01(B) of the Interlocal Governance Agreement.

"Share of FDOT Bond Debt Service" means the amount computed for each Local Government Partner pursuant to Section 4.03(B) of the Interlocal Funding Agreement.

"State" means the State of Florida.

"State of Good Repair" means performance of all necessary maintenance, including preventative maintenance, replacement of all infrastructure components on a schedule consistent with their life expectancy, and compliance with all applicable FRA and FTA regulations.

"Station" means a commuter rail passenger station on the Commuter Rail System, including the commuter rail passenger stations listed in Appendices C, D and E of the Interlocal Operating Agreement and any additional commuter rail passenger station added as Extended Service pursuant to Section 4.07 of the Interlocal Operating Agreement. The term "Station" includes the "Station Platform" and the "Station Property."

"Station Platform" means the Station loading platform located within the Corridor, including any improvements made thereto.

"Station Property" means the Station parking area and other Station property located outside the Corridor, including any improvements made thereto, that was acquired with Federal funds, proceeds of the Initial Capital Contributions of the Local Government Partners or as part
of the Five-Year Capital Plan. The term "Station Property" does not include any other property acquired by the Local Government Partners with their own funds.

"Station Property Contribution" means, for each Local Government Partner, the amount shown for Phase I and/or Phase II Station Property in Section 4.01(B) of the Interlocal Funding Agreement.

"System Net Revenue Without Farebox" means, for any Fiscal Year, the amount computed by deducting the budgeted Operating Revenue without Farebox from the budgeted Total Operating Cost.

"System Operating Deficit" means, for any Fiscal Year, the amount computed by deducting the Total Operating Revenue from the Total Operating Cost.

"Technical Advisory Committee" means the advisory committee created pursuant to Section 3.07 of the Interlocal Governance Agreement.

"Total Operating Cost" means all expenses incurred in connection with operation and maintenance of the Commuter Rail System including, but not limited to, the following: (A) during the FDOT Funding Period, the cost for FDOT staff and contractors working for the Commuter Rail System, including indirect costs computed in accordance with a cost allocation plan meeting FRA and FTA requirements; (B) payments made to the Contract Operator; (C) the direct cost of Corridor Access Management; (D) the direct cost for Maintenance of Way; (E) the cost to maintain the Commuter Rail System's rolling stock, including the "capital maintenance cost," as defined in the agreement with the Contract Operator; (F) the direct cost to insure and provide risk management for the Commuter Rail System; (G) during the FDOT Funding Period, the cost incurred by FDOT, including indirect costs computed in accordance with an indirect cost allocation plan meeting FRA and FTA requirements; and (H) any other cost directly related to
the Commuter Rail System. The term "Total Operating Cost" does not include Debt Service on the FDOT Fixed-Guideway Bonds or expenses related to operation of the Station Property. During the FDOT Funding Period, the term "Total Operating Cost" does not include any cost associated or incurred by the Local Government Partners or other governmental entities regarding the Commission, Governing Board, Technical Advisory Committee or Customer Advisory Committee.

"Total Operating Revenue" means all revenues arising from the operation of the Commuter Rail System including, but not limited to, (A) revenue generated by and received from freight railroads operating on the Corridor (including the car charge payable pursuant to the Central Operating and Management Agreement, (B) liquidated damages paid by the Contract Operator, (C) financial contributions by other entities in support of Commuter Rail System operations including, but not limited to Federal grant funds, (D) any other revenues arising as a result of the operation of Commuter Rail System, and (E) interest or investment earnings; provided however, that the term "Total Operating Revenue" does not include Local Station Revenue.
APPENDIX D

COMMUTER RAIL EASEMENT

THIS PERPETUAL EASEMENT made this ___ day of ________, 20 ___, by the State Of Florida Department Of Transportation, grantor, to the Central Florida Commuter Rail Commission, its successors and assigns, grantee;

WITNESSETH:

That the grantor for and in consideration of the sum of One Dollar and other valuable considerations paid, the receipt and sufficiency of which is hereby acknowledged, hereby grants unto the grantee, its successors and assigns, a perpetual easement:
(a) for the purpose of operating and maintaining the Commuter Rail System as more particularly set forth in that certain Interlocal Operating Agreement between grantor and grantee, dated ________________, and
(b) for all other uses not inconsistent with the uses of grantor under the terms and conditions of the Interlocal Operating Agreement,

in, over, under, upon and through the following described land, viz:

See attached Exhibit A

TO HAVE AND TO HOLD the same unto said grantee, its successors and assigns forever;

PROVIDED, that if operation of the Commuter Rail System is suspended or terminated for a period longer than one hundred and eighty days (other than as the result of a Force Majeure event, for which the time period shall be one year), this Perpetual Easement will expire and the interest shall revert to and become the property of grantor. Said reverter shall become effective within 30 days of notice from grantor to grantee and shall not require action of grantee; provided, however, that grantee agrees to execute such documents as grantor may reasonably request in the event that grantor deems it convenient or necessary to confirm the reverter; and

PROVIDED FURTHER, that this Perpetual Easement is subject to, limited by, and conditioned on the terms and conditions of the Interlocal Operating Agreement and the terms and conditions of that certain Central Florida Operating and Management Agreement between the grantor and CSX Transportation, Inc., pertaining to the Line of Railroad Between DeLand, Florida and Poinciana, Florida and Related Properties, dated ___________; and

PROVIDED FURTHER that this Perpetual Easement is made subject to existing uses, and any unpaid taxes, assessments, liens, or encumbrances of any nature whatsoever and grantor
makes no representations or warranties of seisin, good right to convey, quiet enjoyment, defense of title, or any other matter.

IN WITNESS WHEREOF, the said grantor has signed and sealed these presents the day and year first above witness.
Signed, sealed and delivered in the presence of: (Two witnesses required by Florida Law)

Print Name: ______________________

By: ____________________________

Print Name: ______________________

Attest: ____________________________

Executive Secretary

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this ______________ day of ____________, 20__, by ________________________, as District Secretary for District Five of the Department of Transportation. Said person is personally known to me or has produced __________________________ identification.

______________________________

Name:
Title or rank:
Serial No.:
CONTRACT FOR
SALE AND PURCHASE

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

Pertaining to the
Railroad A-Line Between Deland, Florida and Poinciana, Florida
and Related Properties

Dated: ____________, 2007
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>Purchase and Sale</td>
<td>2</td>
</tr>
<tr>
<td>1.01</td>
<td>Agreement of Sale/Lieu of Condemnation</td>
<td>2</td>
</tr>
<tr>
<td>1.02</td>
<td>Conveyance</td>
<td>4</td>
</tr>
<tr>
<td>Section 2</td>
<td>Purchase Price</td>
<td>6</td>
</tr>
<tr>
<td>Section 3</td>
<td>Option To Purchase Aloma and Deland Spurs</td>
<td>6</td>
</tr>
<tr>
<td>Section 4</td>
<td>Statutory Limitations</td>
<td>6</td>
</tr>
<tr>
<td>Section 5</td>
<td>Federal Regulatory Matters</td>
<td>7</td>
</tr>
<tr>
<td>5.01</td>
<td>STB Jurisdiction</td>
<td>7</td>
</tr>
<tr>
<td>5.02</td>
<td>FRA Notification</td>
<td>7</td>
</tr>
<tr>
<td>Section 6</td>
<td>Closing</td>
<td>7</td>
</tr>
<tr>
<td>6.01</td>
<td>Exchange of Documents</td>
<td>7</td>
</tr>
<tr>
<td>6.02</td>
<td>Settlement Statement</td>
<td>7</td>
</tr>
<tr>
<td>6.03</td>
<td>Allocation of Closing Costs</td>
<td>8</td>
</tr>
<tr>
<td>Section 7</td>
<td>Instruments of Transfer and Conveyance</td>
<td>8</td>
</tr>
<tr>
<td>7.01</td>
<td>Permitted Exceptions/Deed/Bill of Sale</td>
<td>8</td>
</tr>
<tr>
<td>7.02</td>
<td>Additional Closing Documents</td>
<td>9</td>
</tr>
<tr>
<td>7.03</td>
<td>Title Commitment</td>
<td>10</td>
</tr>
<tr>
<td>7.04</td>
<td>Survey</td>
<td>11</td>
</tr>
<tr>
<td>7.05</td>
<td>INTENTIONALLY OMITTED</td>
<td>12</td>
</tr>
<tr>
<td>7.06</td>
<td>Recording</td>
<td>12</td>
</tr>
<tr>
<td>7.07</td>
<td>Conveyance Subject to Intangibles</td>
<td>12</td>
</tr>
<tr>
<td>7.08</td>
<td>Assignment of Transferred Intangibles</td>
<td>13</td>
</tr>
<tr>
<td>7.09</td>
<td>Failure of Consent to Assignment</td>
<td>15</td>
</tr>
<tr>
<td>7.10</td>
<td>Searches</td>
<td>15</td>
</tr>
<tr>
<td>7.11</td>
<td>Subdivision Approvals</td>
<td>15</td>
</tr>
<tr>
<td>Section 8</td>
<td>CSXT's Further Exceptions and Reservations</td>
<td>16</td>
</tr>
<tr>
<td>8.01</td>
<td>Additional Conveyance Exceptions</td>
<td>16</td>
</tr>
<tr>
<td>8.02</td>
<td>Sidetracks</td>
<td>16</td>
</tr>
<tr>
<td>8.03</td>
<td>Amtrak</td>
<td>16</td>
</tr>
<tr>
<td>8.04</td>
<td>Assignment of CSXT Easement</td>
<td>16</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS
(continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Apportionments</td>
<td>17</td>
</tr>
<tr>
<td>9.01</td>
<td>Sales/Use Tax</td>
<td>17</td>
</tr>
<tr>
<td>9.02</td>
<td>Post Closing Taxes, Liens and Charges</td>
<td>17</td>
</tr>
<tr>
<td>9.03</td>
<td>Utility Charges</td>
<td>17</td>
</tr>
<tr>
<td>9.04</td>
<td>Real Estate and Personal Property Taxes</td>
<td>17</td>
</tr>
<tr>
<td>9.05</td>
<td>General Assessments</td>
<td>18</td>
</tr>
<tr>
<td>10</td>
<td>Further Agreements and Instruments</td>
<td>18</td>
</tr>
<tr>
<td>10.01</td>
<td>CSXT Indemnification</td>
<td>18</td>
</tr>
<tr>
<td>10.02</td>
<td>Labor Protection</td>
<td>18</td>
</tr>
<tr>
<td>10.03</td>
<td>INTENTIONALLY OMITTED</td>
<td>19</td>
</tr>
<tr>
<td>10.04</td>
<td>CSXT Excluded Property Undertaking</td>
<td>19</td>
</tr>
<tr>
<td>10.05</td>
<td>Sanford Auto Train Facilities Placeholder</td>
<td>19</td>
</tr>
<tr>
<td>10.06</td>
<td>[PLACEHOLDER FOR RAND YARD PROVISIONS]</td>
<td>20</td>
</tr>
<tr>
<td>10.07</td>
<td>Further Instruments</td>
<td>20</td>
</tr>
<tr>
<td>11</td>
<td>Representations and Warranties</td>
<td>20</td>
</tr>
<tr>
<td>11.01</td>
<td>CSXT’s Representation and Warranties</td>
<td>20</td>
</tr>
<tr>
<td>11.02</td>
<td>State’s Representations and Warranties</td>
<td>22</td>
</tr>
<tr>
<td>12</td>
<td>Disclaimer of Warranty</td>
<td>23</td>
</tr>
<tr>
<td>13</td>
<td>Condition of Property</td>
<td>24</td>
</tr>
<tr>
<td>14</td>
<td>Other Agreements</td>
<td>24</td>
</tr>
<tr>
<td>14.01</td>
<td>Ancillary Agreements</td>
<td>24</td>
</tr>
<tr>
<td>14.02</td>
<td>Train Diversion Holdback</td>
<td>25</td>
</tr>
<tr>
<td>14.03</td>
<td>CSXT Sales and Other Transactions</td>
<td>25</td>
</tr>
<tr>
<td>15</td>
<td>Inspection and Environmental Matters</td>
<td>25</td>
</tr>
<tr>
<td>15.01</td>
<td>Inspections</td>
<td>26</td>
</tr>
<tr>
<td>15.02</td>
<td>Environmental Agreement</td>
<td>26</td>
</tr>
<tr>
<td>16</td>
<td>Arbitration</td>
<td>27</td>
</tr>
<tr>
<td>17</td>
<td>Termination and Rescission</td>
<td>28</td>
</tr>
<tr>
<td>17.01</td>
<td>Right of CSXT to Terminate</td>
<td>28</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS
(continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.02</td>
<td>Right of State to Terminate State shall have the unilateral right to</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>terminate and rescind this Contract, prior to the Closing, in the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>event of any of the following:</td>
<td></td>
</tr>
<tr>
<td>17.03</td>
<td>Right of Either CSXT or State to Terminate</td>
<td>32</td>
</tr>
<tr>
<td>17.04</td>
<td>Post Termination Liability</td>
<td>33</td>
</tr>
<tr>
<td>17.05</td>
<td>Notice of Termination</td>
<td>33</td>
</tr>
<tr>
<td>17.06</td>
<td>No Post Closing Rescission</td>
<td>33</td>
</tr>
<tr>
<td>Section 18</td>
<td>Extension, Waiver and Amendment</td>
<td>34</td>
</tr>
<tr>
<td>18.01</td>
<td>Modifications</td>
<td>34</td>
</tr>
<tr>
<td>18.02</td>
<td>Extensions/Waivers</td>
<td>34</td>
</tr>
<tr>
<td>Section 19</td>
<td>Notices</td>
<td>34</td>
</tr>
<tr>
<td>19.01</td>
<td>Notice Provisions/Addresses</td>
<td>34</td>
</tr>
<tr>
<td>19.02</td>
<td>Changes in Notice Addresses</td>
<td>35</td>
</tr>
<tr>
<td>Section 20</td>
<td>Governing Law</td>
<td>35</td>
</tr>
<tr>
<td>Section 21</td>
<td>Counterparts</td>
<td>35</td>
</tr>
<tr>
<td>Section 22</td>
<td>Interpretation</td>
<td>36</td>
</tr>
<tr>
<td>Section 23</td>
<td>Exhibits</td>
<td>36</td>
</tr>
<tr>
<td>Section 24</td>
<td>Survival</td>
<td>36</td>
</tr>
<tr>
<td>Section 25</td>
<td>Entire Agreement</td>
<td>36</td>
</tr>
<tr>
<td>Section 26</td>
<td>Waiver</td>
<td>37</td>
</tr>
<tr>
<td>Section 27</td>
<td>Expenses</td>
<td>37</td>
</tr>
<tr>
<td>Section 28</td>
<td>Further Assurances, Cooperation in Tax Deferred Exchanges</td>
<td>37</td>
</tr>
<tr>
<td>Section 29</td>
<td>Time of the Essence</td>
<td>38</td>
</tr>
<tr>
<td>Section 30</td>
<td>Prohibition of Third Party Beneficiaries</td>
<td>38</td>
</tr>
<tr>
<td>Section 31</td>
<td>Successors and Assigns</td>
<td>38</td>
</tr>
</tbody>
</table>
List of Exhibits

Exhibit 1 – General Map of Subject Property
Exhibit 2 – Description of Subject Property
Exhibit 3 – Intangible Inventory
  - SP Intangibles
  - EP Intangibles
  - Transferred Joint Use Intangibles
  - Retained Joint Use Intangibles
Exhibit 4 – Deed
Exhibit 5 – Excluded Property
Exhibit 6 – Included Tangible Personal Property Inventory
Exhibit 7 – Excluded Tangible Personal Property Inventory
Exhibit 8 – Bill of Sale
Exhibit 9 – Transferred Intangibles
Exhibit 10 – Assignment of Transferred Intangibles
Exhibit 11 – Memorandum of Transferred Intangibles
Exhibit 12 – Joint Notification Letter of Transferred Intangibles
Exhibit 13 – Joint Use Agreement(s)
Exhibit 14 – Aloma Spur and Deland Spur Option Agreement
Exhibit 15 – Memorandum of Aloma Spur and Deland Spur Option Agreement
Exhibit 16 – Opinion of CSXT’S Counsel
Exhibit 17 – Opinion of State’s Counsel
Exhibit 18 – Environmental Agreement
CONTRACT FOR SALE AND PURCHASE

THIS CONTRACT, 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").

WITNESSETH THAT:

WHEREAS, CSXT has interests in certain properties including a line of railroad between Deland and Poinciana, FL over which rail freight and intercity rail passenger service are presently conducted (the "A-Line"); and

WHEREAS, pursuant to authorization by ____________________________ [appropriate appropriations act provisions to be inserted here before execution] the State desires to acquire CSXT's interests in such properties and such line of railroad (as hereinafter more particularly described) for the purposes of accommodating public demand for commuter rail transportation, roadways and other public purposes including the continued provision of rail freight and intercity rail passenger service; and

WHEREAS, State believes it is entitled to condemn that portion of the A-Line necessary for the purpose of accommodating such need; and

WHEREAS, State and CSXT maintain their respective positions but elect not to endure a court challenge of the contested issue and have instead elected to transfer the properties described below upon threat of condemnation; and

WHEREAS, State and CSXT have agreed that State shall cooperate with CSXT in CSXT's accomplishing I.R.C. Section 1031 exchange(s); and

WHEREAS, the parties desire that CSXT retain, and not transfer to the State, a perpetual easement over the easement area therefor set forth in the Deed attached as Exhibit 4 hereto limited for the purpose of the exclusive provision of rail freight service subject to the rights of the National Railroad Passenger Corporation ("Amtrak") under the Agreement dated June 1, 1999, and all A-Line Operating
Agreement permitted supplements thereto, which agreement and supplements being between CSXT and Amtrak (the "Amtrak Agreement"), it being the intention of the parties that CSXT remain, and the State not become, the rail carrier subject to the Interstate Commerce Act, as revised, the Railway Labor Act, as revised, or any other federal law relating to the provision of railroad transportation on such properties; and

WHEREAS, reserving all rights with respect to the contested issue of condemnation, CSXT will sell and State will acquire the involved properties and the parties hereto desire to provide for the continued operation, use and maintenance thereof, all upon the terms and conditions hereinafter set forth.

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. Purchase and Sale.

1.1 Agreement of Sale/Lieu of Condemnation. Upon the terms and subject to all of the conditions herein set forth and the performance by each of the parties hereto of their respective obligations hereunder, CSXT agrees, under threat of condemnation, to sell, transfer and convey to State on the Closing Date and State agrees in lieu of condemnation to accept and purchase from CSXT on the Closing Date:

(a) All of CSXT's right, title and interest in and to the following land, real property, rights-of-way and associated property: (i) that portion of CSXT's A-Line starting at Milepost A749.7 (Sta. 39409 +00), at or near Deland, FL and ending at Milepost A814.1 (Sta. 42718 +10), at or near Poinciana, FL, a distance of approximately 61.5 miles; and (ii) certain specified properties contiguous to such line; all as shown on Exhibit 1 hereto and as more specifically described in Exhibit 2 hereto; subject to (x) those rights, interests, contracts, agreements, leases, licenses and easements which are listed or described in Exhibit 3 hereto, (the "Intangible Inventory"), (y) the rights of Amtrak under the Amtrak
Agreement and (y) a perpetual easement over the easement area therefor set forth in the Deed attached as Exhibit 4 hereto limited for the purpose of the exclusive provision of rail freight service to be retained by CSXT (hereinafter collectively referred to as the “CSXT Easement”) as set forth in the deed appearing as Exhibit 4 hereto (the “Deed”) and excluding and excepting those parcels, rights and interests listed or described on Exhibit 5 hereto (the “Excluded Property”), all of which are excluded or excepted from the sale, transfer and conveyance to State contemplated by this Contract;

(b) All of CSXT’s right, title and interest in and to tracks, rails, ties, switches, crossings, bridges, trestles, culverts, buildings, structures, facilities, signals, crossing protection devices, communication lines, poles, radio masts and other fixtures and improvements which are affixed, as of the Closing Date, to the real property shown on Exhibit 1 and described in Exhibit 2 hereto; but excepting any items of the kind described above which are on the properties listed or described in Exhibit 5 hereto, all of which are hereby reserved by CSXT and excepted from the sale, transfer and conveyance to State contemplated by this Contract;

(c) All of CSXT’s right, title and interest in and to the items of tangible personal property (the “Included Tangible Personal Property”) listed or described in Exhibit 6 hereto (the “Included Tangible Personal Property Inventory”) accompanied by maintenance records, warranties and other pertinent records pertaining thereto to the extent available, but without any representation or warranty as to completeness, accuracy, assignability, or any other matter, but excluding the following items of tangible personal property that are or may be located on or in the Subject Property on the Closing Date: railroad rolling stock, locomotives, automobiles, trucks, automotive equipment, machinery (except as listed or described in Exhibit 6 hereto), office and computer equipment, radios and radio control equipment, furniture, tools, switch locks and keys, inventories, materials and supplies, as
well as any other personal property which is not to be sold, transferred and conveyed to State under the provisions of Sections 1.01(b) and 1.01(c) hereof and which is not affixed to the Subject Property on the Closing Date (the "Excluded Tangible Personal Property") listed in Exhibit 7 (the "Excluded Tangible Personal Property Inventory"). Any tangible personal property located on the Subject Property on the Closing Date not listed in the Included Tangible Personal Property Inventory shall be deemed to be included in the Excluded Tangible Personal Property Inventory;

(d) All of CSXT's right, title and interest in and to the items of Transferred Intangibles listed on Exhibit 9 as provided in Section 7.08 of this Contract; and

(e) The Option Agreement, as defined in Section 3 hereof, from CSXT to State as to those certain spurs known as the Aloma Spur running to the Orlando/Sanford International Airport shown and designated as the Aloma Spur on Exhibit 1 hereto (the "Aloma Spur") and the Deland Spur running to downtown Deland shown and designated as the Deland Spur on Exhibit 1 hereto (the "Deland Spur").

The aforesaid properties, real and personal, which are to be sold, transferred and conveyed to State under this Contract are hereinafter collectively referred to as the "Subject Property."

1.2 Conveyance. The sale, transfer and conveyance to State of any interest of CSXT in the land, real property and fixtures under this Contract shall be made by Deed as set forth in Exhibit 4 hereto and shall be with the warranties set forth therein and subject to the matters set forth therein as well as the Permitted Exceptions as defined in Section 7.01 of this Contract, a counterpart of which shall be recorded in Volusia County, Seminole County, Orange County and Osceola County, Florida. The sale, transfer and conveyance to State of any interest of CSXT in the tangible personal property under this Contract shall be evidenced by a Bill of Sale (the "Bill of Sale") as set forth in Exhibit 8 hereto, and shall be made without any express or implied
warranty whatsoever, other than as otherwise expressly provided in this Contract and other matters set forth therein as well as the Permitted Exceptions. The sale, transfer and conveyance to State of any interest of CSXT in the Transferred Intangibles listed on Exhibit 9 attached hereto as provided in Section 7.08 of this Contract, shall be evidenced by an Assignment of Transferred Intangibles as set forth in Exhibit 10 hereto and the Memorandum of Transferred Intangibles as set forth in Exhibit 11 hereto, both subject to the matters set forth therein as well as the Permitted Exceptions, with a counterpart of the Memorandum of Transferred Intangibles to be recorded in Volusia County, Seminole County, Orange County and Osceola County, Florida. In addition, as to any Transferred Joint Use Intangibles, as listed on Exhibit 3 and provided for in Section 7.08 of this Contract, the Joint Use Agreement(s) shall be executed between CSXT and the State in form attached as Exhibit 13 hereto. Said Joint Use Agreement(s) shall also be applicable to the Retained Joint Use Intangibles listed in Exhibit 3 and shall be executed by CSXT and State at Closing. Other than warranties of title free and clear of all mortgages, deeds of trust, financing statements, judgment liens, materialmen liens and liens arising out of CSXT's employee pension obligations, the Deed, Bill of Sale, Assignment of Transferred Intangibles, Memorandum of Transferred Intangibles and the Joint Use Agreement(s) each shall be made without any express or implied warranty whatsoever except as otherwise expressly provided therein or in this Contract. State acknowledges that CSXT may endeavor to have the Title Company insure over certain liens based upon CSXT's indemnification agreements with the Title Company. As to any matter which the Title Company agrees to delete from the Title Policy to be delivered at the Closing, State shall have no objection or right to object to such matter, and State will, as to any claim pertaining to any matter which the Title Company has agreed to insure over and upon any lienor or judgment creditor seeking to execute upon any portion of the Subject Property, State will first pursue the Title Company through litigation and/or arbitration, but to the extent any such claim remains unsatisfied after such litigation and/or arbitration is free from further appeal, State shall have recourse against CSXT.
Section 2.  Purchase Price.

Subject to the terms and conditions of this Contract, and in consideration for the sale, transfer and conveyance of the Subject Property to State, State shall pay to CSXT the sum of One Hundred Fifty Million and no/100 Dollars ($150,000,000.00) (hereinafter referred to as the “Purchase Price”) for the Subject Property. The Purchase Price shall be paid on the Closing Date in cash or its equivalent in immediately available United States funds, [subject to the withholding, if any, established in Section 14.02 of this Agreement and the withholding, if any, established under the provisions of Section 15.02 hereof and in the Environmental Agreement attached as Exhibit 18 hereto].

Section 3.  Option To Purchase Aloma and Deland Spurs.

At Closing, CSXT and State shall execute and deliver the Aloma Spur and Deland Spur Option Agreement attached hereto as Exhibit 14 (the “Option Agreement”) and the Memorandum of Aloma Spur and Deland Spur Option Agreement attached hereto as Exhibit 15 with the latter to be recorded in the public records of Volusia and Seminole Counties, Florida.

Section 4.  Statutory Limitations

Notwithstanding any other provision hereof, this Contract is subject to the provisions of Section 339.135 (6) (a), Florida Statutes, to wit:

“The department [Florida Department of Transportation], 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 such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year.”

Section 5.  Federal Regulatory Matters.
5.1 **STB Jurisdiction.** State and CSXT shall take all reasonably necessary steps to secure the determination of the Surface Transportation Board ("STB") that it has no jurisdiction over the transaction contemplated in this Contract, or in any transaction contemplated in any Ancillary Agreement as defined in this Contract.

5.2 **FRA Notification.** State shall provide notification to the Federal Railroad Administration ("FRA") pursuant to 49 C.F.R. § 213.5(c), if applicable, at least thirty (30) days prior to the Closing Date.

Section 6. Closing.

6.1 **Exchange of Documents.** The Purchase Price [subject to the withholding, if any, established in Section 14.02 of this Agreement and the withholding, if any, established under the provisions of Section 15.02 and in the Environmental Agreement], Deed, Bill of Sale, Assignment of Transferred Intangibles, Memorandum of Transferred Intangibles, Joint Use Agreement(s), Aloma Spur and Deland Spur Option Agreement, Memorandum of Aloma Spur and Deland Spur Option Agreement, Environmental Agreement, and the Opinions referenced herein shall be exchanged, together with all other deliverables under this Contract at a closing (the "Closing") to be held at the headquarters of CSXT in Jacksonville, FL or at such other location as the parties hereto may mutually agree upon. Subject to the right of termination expressly provided under Section 17 of this Contract, the Closing Date shall occur on [_______________], or upon such other date as the parties hereto may mutually agree upon.

6.2 **Settlement Statement.** At the Closing, the apportionments under Section 9 of this Contract between the parties shall be made and reflected on the Settlement Statement as charges or credits to each party, as appropriate.
6.3 **Allocation of Closing Costs.** CSXT shall pay the cost and expense of (i) the Title Commitment and Title Policy including the premium for the Title Policy and all search, copy, printing and other charges of the Title Company with respect to said Title Commitment, Title Policy and the furnishing of copies of title documents required to be furnished herein; (ii) any documentary stamp taxes, interest, and penalties on the Deed; (iii) the attorneys' fees and consultant fees of CSXT and (iv) other costs of the transactions under this Contract and the Ancillary Agreements incurred by CSXT. State shall pay the cost and expense of (i) the Survey, as herein defined; (ii) recording counterparts of the Deed (exclusive of Documentary Stamp taxes thereon) and the Memorandum of Assignment of Transferred Intangibles in Volusia, Seminole, Orange and Osceola counties, Florida, and the cost of recording the Memorandum of Aloma Spur and Deland Spur Option Agreement in Volusia and Seminole counties, Florida; (iii) the attorneys' fees and consultant fees of the State and (iv) other costs of the transactions under this Contract and the Ancillary Agreements incurred by State.

**Section 7. Instruments of Transfer and Conveyance.**

7.1 **Permitted Exceptions/Deed/Bill of Sale.** At the Closing, in exchange for the Purchase Price, CSXT shall deliver to State CSXT's Deed and Bill of Sale subject to the following which are herein referred to as the "Permitted Exceptions":

(a) The exceptions, reservations, rights and privileges of CSXT set forth in this Contract, including, without limitation, the CSXT Easement;

(b) Building, Zoning, Subdivision and other applicable federal, state, county, municipal and local laws, ordinances and regulations;

(c) Subject to the apportionment provisions of Section 9 herein, liens for ad valorem real and personal property and governmental assessments, both general and special, which may
become due or payable on the Subject Property on or after the Closing Date excepting any assessed on the CSXT Easement which shall be the responsibility of CSXT;

(d) Reservations or exceptions whether or not of record, including, without limitation, reservations or exceptions of minerals or mineral rights; public utility and other easements; and easements, crossings, occupancies and rights-of-way, howsoever created;

(e) Encroachments or any other state of facts which might be revealed from an accurate survey, title search or personal inspection of the Subject Property;

(f) All other existing roads, streets, ways, alleys, party walls, privileges, rights, appurtenances and servitudes, howsoever created;

(g) Mortgage liens pertaining to the Subject Property which liens CSXT shall cause to be released, at no cost or expense to State within sixty (60) days of the recording date of the Deed;

(h) The matters set forth in Section 8.01 herein; and

(i) As to each of the Deed, Bill of Sale, Assignment of Transferred Intangibles, Memorandum of Assignment of Transferred Intangibles, Aloma Spur and Deland Spur Option Agreement, Memorandum of Aloma Spur and Deland Spur Option Agreement, and the Joint Use Agreement(s), the matters appearing in said documents.

7.2 Additional Closing Documents. In addition, at the Closing, the parties shall execute and deliver the following:

(a) A Settlement Statement signed by each party evidencing the Purchase Price, reserves or hold backs from the Purchase Price, the apportionments and the closing costs with the appropriate credits and charges to the parties;

(b) The Assignment of Transferred Intangibles attached as “Exhibit 10”;
Memorandum of the Assignment of Transferred Intangibles attached as "Exhibit 11", a counterpart of which is to be recorded in Volusia, Seminole, Orange and Osceola Counties, Florida;

The Aloma Spur and Deland Spur Option Agreement attached as "Exhibit 14";

Memorandum of Aloma Spur and Deland Spur Option Agreement attached as "Exhibit 15", a counterpart of which is to be recorded in Volusia and Seminole Counties Florida;

The Joint Use Agreement(s) attached as "Exhibit 13";

The Environmental Agreement attached as "Exhibit 18";

CSXT shall deliver to State an opinion of CSXT's counsel substantially in the form of Exhibit 16 hereto; and

State shall deliver to CSXT an opinion of State's counsel substantially in the form of Exhibit 17 hereto.

In rendering the foregoing opinions in Section 7.02 (h) and (i), such counsel may rely as to factual matters upon certificates or other documents furnished by officers, officials and other counsel of the respective parties, and upon such other documents and data as such officers, officials and counsel may deem appropriate for their opinions.

7.3 Title Commitment. CSXT has arranged with Fidelity National Title Insurance Company (the "Title Company") for the preparation of a Title Insurance Commitment (the Title Insurance Commitment initially consists of four Title Insurance Commitments, one for each of Volusia, Seminole, Orange and Osceola Counties, Florida which, by Closing, will be combined into one) covering the Subject Property to be issued to and for the benefit of State in the full amount of the Purchase Price (the "Title Commitment") agreeing to issue an ALTA Owner's Title Insurance Policy (10-17-92) (with Florida modifications) (the "Title Policy"). CSXT has requested the Title Company to deliver to the State (i) the Title Commitment, (ii) a legible copy of every document referenced therein, (iii) a legible copy of the title derivation documents (deeds
easements, leases, and other instruments) vesting CSXT with the estate being insured by the Title Commitment and (iv) a legible copy of each recorded conveyance out by CSXT of any portion of the land of which the Subject Property was a part whether shown on Valuation Maps or not. It is expressly understood by the parties hereto that CSXT shall have no liability or responsibility under or beyond said Title Policy or as a consequence of any failure of any obligation, term or condition of said policy, howsoever arising, including, without limitation, the insolvency or bankruptcy of the Title Company issuing said policy and/or the Title Company's failure, inability or refusal to perform under said policy, but any such failure, inability, refusal, insolvency or bankruptcy occurring before Closing shall constitute grounds for the termination of this Contract should the same occur on or prior to Closing.

7.4 Survey. State is arranging for surveys of the Subject Property (the “Survey”) by Florida licensed land surveyors which shall provide metes and bounds description(s) of the Subject Property (the “Survey Description”) and will provide a copy thereof to CSXT and the Title Company. State acknowledges that while the Survey providing the description of the Subject Property shall be used in the transaction documents contemplated herein, the Survey shall not be binding on CSXT in any manner, and any agreement regarding the binding nature of the Survey in connection with the transactions contemplated hereby shall be solely between State and the Title Company, State acknowledging that subject to the foregoing exception, no aspect of the Survey shall either bind CSXT in any manner or obligate CSXT to take any actions whatsoever. State further acknowledges that CSXT has not reviewed and shall not be obligated to review the Survey and that CSXT does not warrant the accuracy, correctness or legal sufficiency of the Survey.

7.5 INTENTIONALLY OMITTED.

7.6 Recording. State shall cause a counterpart of the Deed (which shall include therein the CSXT Easement) and a counterpart of the Memorandum of Transferred Intangibles to be recorded in
the public records of Volusia County, Seminole County, Orange County and Osceola County, Florida within five days of Closing and State shall cause a counterpart of the Memorandum Aloma Spur and Deland Spur Option Agreement to be recorded in the public records of Volusia County and Seminole County, Florida within five days of Closing.

7.7 Conveyance Subject to Intangibles. The Subject Property shall be sold, transferred and conveyed subject to all contracts, agreements, leases, licenses, and easements and all amendments and supplements thereto, pertaining to the Subject Property, or any portion thereof ("Intangible"), which are listed or described in Exhibits 3 and 9 hereto. Nothing contained in this Section shall be construed to: (a) limit or restrict any exception, reservation, right or privilege of CSXT under Section 8 of this Contract; (b) limit or restrict CSXT's right to enter into any contract, agreement, lease or license pertaining to the provision by CSXT of rail freight service on the Subject Property, subject to the terms and conditions set forth in the A-Line Operating Agreement; (c) require CSXT to cancel, terminate or amend any existing contract, agreement, lease, license or easement listed or described in Exhibits 3 or 9 hereto to the extent permitted herein or in the A-Line Operating Agreement or (d) require CSXT to cancel or terminate any amendment to an existing or additional contract, agreement, lease, license or easement to which the terms and conditions of Section 8 of this Contract may apply, or (e) impose any obligation on CSXT with respect to Labor Protection, any Labor Challenge or Environmental Matters.

7.8 Assignment of Transferred Intangibles. At the Closing, CSXT shall assign to State all of CSXT's rights and interests and State shall assume all of CSXT's obligations and liabilities arising under or connected with the contracts, agreements, leases, licenses and easements listed or described in Exhibit 9 hereto which shall include the SP Intangibles and the Transferred Joint Use Intangibles listed in Exhibit 3 (collectively, the "Transferred Intangibles"), but exclude the EP Intangibles and Retained Joint Use Intangible listed in Exhibit 3 pursuant to the Assignment of Transferred Intangibles attached as Exhibit 10 hereto effective from and after Closing and shall execute th
Memorandum of Transferred Intangibles attached as Exhibit 11 hereto, a counterpart of which State shall cause to be recorded in the public records of Volusia County, Seminole County, Orange County and Osceola County, Florida. The conveyance or retention of an intangible shall carry with it the right to renew, modify, alter, amend and terminate the same, provided the Transferred Intangibles shall not be renewed, modified, altered, and amended in such a way as would interfere with the rights of CSXT under the CSXT Easement and provided, further, that the EP Intangibles and Retained Joint Use Intangibles as well as any contract, agreement, lease license, and easement which pertains to any portion of the Subject Property and is omitted from Exhibit 3 attached hereto (an “Omitted Intangible”) shall not be renewed, modified, altered, and amended in such a way as to interfere with State’s reasonable utilization of the Subject Property for its intended use as a commuter and passenger rail system. All amounts due under or received by CSXT prior to Closing and relating to the Retained Joint Use Intangibles and Omitted Intangibles, shall remain the property of CSXT and shall not be subject to proration or adjustment of any sort. From and after the Closing Date, CSXT shall pay to State on a periodic basis the amounts received by CSXT under any Omitted Intangible after the Closing which pertains only to some portion of the Subject Property. Further, from and after the Closing Date, CSXT shall pay to State on a periodic basis prorated amounts received by CSXT after the Closing under any (i) any Omitted Intangible which pertains both to the Subject Property and any of the CSXT rail line which is not part of the Subject Property (the “Joint Use Omitted Intangibles”) and (ii) the Retained Joint Use Intangibles, both on a per mile proration (that is, if a Joint Use Omitted Intangible and/or Retained Joint Use Intangible, relates to 200 miles of rail corridor, and 43 miles of said rail corridor is contained within the Subject Property, CSXT shall deliver to State on a periodic basis 43/200 of amounts received by CSXT relating to said Joint Use Omitted Intangible and/or Retained Intangible and due after the Closing Date). It is understood by the parties hereto that the aforesaid contracts, agreements, leases, licenses and easements, inter alia, may grant or confer to others, not party to this Contract, including, without limitation, the National Railroad
Passenger Corporation, fiber optic occupancies, rights, interests and privileges in or pertaining to the Subject Property, and that, from and after the Closing Date, State shall not cause or suffer any interference with the enjoyment and use of the rights, interests and privileges granted or conferred in such contracts, agreements, leases, licenses and easements listed or described in Exhibits 3 and 9 hereto, and State shall not cause or suffer any breach of such contracts, agreements, leases, licenses and easements. At least thirty (30) days before Closing, CSXT shall use reasonable efforts to obtain and deliver to State the written consent to such assignment from any party to said agreements required to give consent under the terms thereof. At least thirty (30) days before Closing CSXT shall furnish the State the current mailing addresses of the other parties to the agreements constituting the Transferred Intangibles and at Closing CSXT and State shall execute and State shall send out the Joint Notification Letter of Transferred Intangibles attached as Exhibit 12 hereto, to each party to the agreements constituting the Transferred Intangibles other than CSXT at the notice addresses furnished State by CSXT advising such parties of the assignment. Notwithstanding the foregoing, nothing contained in this Contract shall impose upon CSXT an obligation to assign to State any contract, agreement, lease, license or easement listed or described in Exhibit 9 hereto which expires, terminates or is cancelled in accordance with the terms thereof on or prior to the Closing Date. Any such expiration, termination or cancellation shall not be construed as a breach of this Contract and shall not constitute grounds for termination or rescission of this Contract.

7.9 Failure of Consent to Assignment. In the event that CSXT is unable, for any reason(s), including, without limitation, its inability or failure to obtain any consent to assignment of an Transferred Intangible required by the provisions thereof, to effect, on the Closing Date, the assignment of any contract or agreement constituting the Transferred Intangibles to State, then such failure or inability shall constitute grounds for termination of this Contract.
7.10 Searches. To the extent that a tax, title or United States District Court search, a Uniform Commercial Code search, local tax certificates and/or soil tests are desired by State, the State shall have obtained, reviewed and found the same acceptable at State's sole cost and expense prior to the Closing Date and the foregoing shall constitute grounds for the termination of this Contract if not obtained and/or satisfactory to State.

7.11 Subdivision Approvals. In the event that any subdivision approval is either desired by State or is necessary for the completion of the sale, transfer and conveyance contemplated by this Contract, said approval may be applied for by State, at its sole risk, cost and expense, including, without limitation, any and all fees, costs and expenses arising out of or connected with the obtaining of subdivision plats, the filing of same with governmental body(ies), recordation thereof and legal fees. Nothing contained herein shall be construed as a covenant by CSXT that the Subject Property, or any portion thereof, will be approved for subdivision, and CSXT assumes no obligation or liability for any cost or expense howsoever arising in the event subdivision approval is not secured. Failure to obtain any State applied for subdivision approval before Closing shall constitute grounds for the termination of this Contract.

Section 8. CSXT's Further Exceptions and Reservations.

8.1 Additional Conveyance Exceptions. In accordance with Sections 1.01 and 7.01 hereof, and subject to the provisions of this Section 8, State shall accept and purchase the Subject Property subject to: (a) the CSXT Easement; (b) the A-Line Operating Agreement; and (c) the Transferred Intangibles listed on Exhibit "9" hereto and the Retained Joint Use Intangibles listed on Exhibit "3" hereto.

8.2 Sidetracks. The rights, interests and obligations of CSXT and State with respect to sidetracks shall be governed by the terms and conditions of the A-Line Operating Agreement.
8.3 **Amtrak.** The rights, interests and obligations of the parties hereto, or their respective successors or assigns with respect to the Amtrak Agreement shall be governed by the terms and conditions the A-Line Operating Agreement, including, without limitation, Section 3(1) thereof. This provision shall survive Closing and the delivery of the Deed.

8.4 **Assignment of CSXT Easement.** State shall have the right to disapprove any conveyance, transfer, assignment, or grant of operating rights to another freight carrier, of the CSXT Easement, provided State will not unreasonably withhold, condition or delay its approval. This provision shall be included in the Deed and shall survive the Closing and delivery of the Deed.

**Section 9. Apportionments.**

9.1 **Sales/Use Tax.** CSXT and State shall each bear and pay one-half of any and all sales and/or use taxes and charges arising out of or connected with the sale, transfer, or conveyance contemplated by this Contract.

9.2 **Post Closing Taxes, Liens and Charges.** It is the intent and understanding of the parties hereto that from and after the Closing Date CSXT shall not be responsible for any taxes, fees, charges, liens, or assessments associated with the State's ownership of the Subject Property and/or the State's interests therein; provided, however, that nothing contained herein shall relieve CSXT from any tax liability which it may have for its retained interests in the Subject Property including, but not by way of limitation, the CSXT Easement.

9.3 **Utility Charges.** Utility charges pertaining to the Subject Property shall be prorated, adjusted and apportioned between CSXT and State as of the Closing Date.

9.4 **Real Estate and Personal Property Taxes.** Any ad valorem real and personal property taxes as to the Subject Property shall be prorated as of the date of Closing and shall be based upon the net tax bill for the applicable year of proration with allowance for discount for November payment.
and any other available discounts. Such taxes for the years prior to the year of Closing shall be paid by CSXT. If, however, the amount of such taxes for the year of Closing cannot be ascertained, the rates, millages and assessed valuations for the previous year, with known changes, if any, shall be used as an estimate and tax prorations based on such estimate and the estimate shall be readjusted upon the request of either party made within sixty (60) days after the tax collector's mailing of the actual tax bills for the year of Closing. In arriving at an estimated tax proration due allowance shall be made for exemptions and discounts if allowed for the applicable year.

9.5 General Assessments. At the time of Closing CSXT shall pay, or prior to Closing shall have paid, all special governmental assessments and liens for public improvements which are as of the Closing certified liens, in full but as to special governmental assessments and liens for public improvements which are not certified liens as of the Closing but are merely pending as of Closing, State shall assume payment of such pending, but uncertified, special governmental assessments and liens for public improvements. At the time of Closing, certified, confirmed or ratified pending special governmental assessment liens against or in respect to the Subject Property where the work has been substantially completed as of Closing shall be paid in full at the Closing by CSXT.

Section 10. Further Agreements and Instruments.

10.1 CSXT Indemnification. CSXT shall indemnify, protect, defend and hold harmless State from and against any and all liability, cost and expense arising out of or connected with CSXT’s ownership and operation on the Subject Property prior to the Closing Date; provided, however, that nothing contained herein shall be construed as modifying or amending any provision of this Contract, including, without limitation, any other provision of this Section 10, Sections 12 and 13 hereof or any other agreement by or between State and CSXT; provided, further, that nothing contained
herein shall be construed as creating any responsibility or liability on the part of CSXT with respect to any fault, defect or condition of the Subject Property; and, provided, further, that nothing contained herein shall be construed as applying to any occurrence created or caused by the State in whole or in part by any act or omission of the State.

10.2 **Labor Protection.** CSXT shall be responsible for its Labor Protection costs, if any, occasioned by the transfer contemplated in this Contract. As used herein, "Labor Protection" shall mean the costs, if any, incurred by CSXT as a result of the sale of the Subject Property, which costs may be incurred pursuant to the provision of a collective bargaining agreement bargained by CSXT as a result of the sale of the Subject Property or pursuant to rule, decision or final order of any governmental agency having jurisdiction over the event. 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 transactions pursuant to law, a collective bargaining agreement or otherwise ("Labor Challenge").

10.3 **INTENTIONALLY OMITTED.**

10.4 **CSXT Excluded Property Undertaking.** CSXT shall cooperate in all respects with State in the identification of CSXT property included in the conveyance, and shall not knowingly exclude from the conveyance to State, any of CSXT's existing property, whether real, personal, or intangible, the exclusion of which will interfere with State's intended use of the Subject Property of owning, operating, and maintaining a commuter and other passenger rail service on the Subject Property, provided however, if the property that has not been specifically excluded shall be discovered to be essential to such intended use and could be transferred by CSXT to State without adverse impact to CSXT's freight operations and without adverse economic consequences to CSXT, then
CSXT, upon written request of State, shall convey or transfer the same to State without additional consideration, on the same basis as set forth herein for conveyance of the Subject Property, whether or not before or after Closing with this provision to survive Closing and the delivery of the Deed.

10.5 Sanford Auto Train Facilities Placeholder. [PLACEHOLDER FOR SANFORD AUTO TRAIN AGREEMENT AS TO ACCESS, USE OF WASH FACILITY AND MAINTENANCE SHOP IF NOT TO GO IN ALOA].

10.6 [PLACEHOLDER FOR RAND YARD PROVISIONS].

10.7 Further Instruments. From time to time after the Closing Date, CSXT and State shall execute and deliver such other contracts, agreements, consents and instruments of conveyance, transfer, conformance and assignment and take such other action(s) as may be reasonably necessary to effect the purposes of this Contract, including, without limitation, the enjoyment and use of the exceptions, reservations, rights and privileges contained in Section 8 of this Contract.

Section 11. Representations and Warranties.

11.1 CSXT’s Representation and Warranties. Nothing in this Section 11 shall apply to any Labor Challenge described in Section 10 of this Contract or Environmental Matters described in Section 15 of this Contract. As a material inducement to State to execute this Contract including, without limitation, the Exhibits hereto (exclusive of Exhibit 18 pertaining to Environmental Matters) and to perform its obligations hereunder including without limitation the obligations set forth in the other instruments to be executed hereunder, CSXT hereby represents and warrants to State, as follows:
(a) The introduction of CSXT and State to one another and all negotiations by the parties hereto relative to this Contract and the transactions contemplated hereby have been effected and carried out by CSXT without the intervention of any broker, finder or other person, and CSXT has not incurred any obligation that would result in State's liability to pay any brokerage, finder's fee or similar fee in connection with such transactions;

(b) The execution of this Contract and the agreements attached hereto and the performance by it of the various terms and conditions hereof, including, without limitation, the execution of all agreements, notices and other documents required hereunder, have been duly authorized by requisite corporate authority of CSXT;

(c) CSXT is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and is duly licensed or qualified and in good standing and qualified to own and lease property in the State of Florida;

(d) This Contract, when executed and delivered, will be valid and legally binding upon CSXT and enforceable in accordance with its terms, subject to limitation by bankruptcy, insolvency or laws of general application affecting enforcement of creditors' rights;

(e) Neither the execution of this Contract and the other instruments to be executed hereunder by CSXT, nor the performance by CSXT of the various terms and conditions hereto will violate the Articles of Incorporation or By-Laws of CSXT or result in a breach or violation of any term or provision or constitute a default under any indenture, mortgage (subject to the release of liens required under Section 7.01(g) hereof), lease or any other agreement to which CSXT is a party or by which it is bound except as may be provided in the contracts, agreements, leases, licenses and easements listed or described in Exhibits 3 and 9 hereof, and CSXT shall indemnify, protect, defend and hold harmless State from and against any and all liability, loss, cost or damage resulting from any such
breach or default of the aforesaid instruments listed or described in Exhibit 3 hereof and in Exhibit 9 hereof; other than a failure after reasonable effort to obtain an assignment or consent.

(f) When duly recorded among the land records of Volusia, Seminole, Orange and Osceola Counties, Florida, the Deed issued by CSXT pursuant to this Contract will create a valid and enforceable conveyance of the Subject Property in favor of State of the interests therein stated, subject only to the matters described in said Deed.

(g) Except as disclosed by CSXT to State in writing prior to Closing, there is no action or proceeding pending or, to CSXT’s best knowledge, threatened challenging CSXT’s right, title and interest in and to the Subject Property at law or in equity or the consummation and performance of the transactions contemplated by this Contract, which challenge, if successful, would result in any material adverse effect upon any such transaction;

(h) Except as disclosed by CSXT to State in writing prior to Closing, CSXT has not received notice of any material breach associated with any contract, agreement, lease, license or easement listed or described in Exhibits 3 and 9 from a party permitted to give notice under such instrument;

(i) Except as disclosed by CSXT to State in writing prior to Closing and excluding environmental matters, CSXT has not received notice from any governmental body having jurisdiction over the Subject Property of a material violation of any building, zoning, subdivision, federal, state, county, municipal or local law, ordinance or regulation affecting the Subject Property;
11.2 State’s Representations and Warranties. As a material inducement to CSXT to execute this Contract including, without limitation, the Exhibits hereto and to perform its obligations hereunder including, without limitation, the other instruments to be executed hereunder, State hereby represents and warrants to CSXT, as follows:

(a) The introduction of CSXT and State to one another and all negotiations by the parties hereto relative to this Contract and the transactions contemplated hereby have been effected and carried out by State without the intervention of any broker, finder or other person, and State has not incurred any obligation that would result in CSXT’s liability to pay any brokerage, finder’s fee or similar fee in connection with such transaction;

(b) The execution of this Contract and the other instruments to be executed hereunder by State and the performance by it of the various terms and conditions hereof, including, without limitation, the execution of all agreements, notices and other documents required hereunder, have been duly authorized by the State of Florida and fully comply with the laws of such State;

(c) State of Florida Department of Transportation is an agency of the State of Florida, duly organized under the laws of such State, and is qualified to own and lease property in such State pursuant to Chapter 334 of the Florida Statutes (200_); and

(d) This Contract, when executed and delivered, will be valid and legally binding upon State, enforceable in accordance with its terms; and neither the execution of this Contract and the other instruments to be executed hereunder by State, nor the performance by it of the various terms and conditions hereto will violate the laws of the State of Florida or result in a breach or violation of any term or provision or constitute a default under any indenture, mortgage, lease or any other agreement to which State is a party or by which it is bound.
Section 12. Disclaimer of Warranty.

Except as otherwise provided in Exhibit 18 hereto, State represents that it has or by the Closing Date will have fully inspected the Subject Property and is relying on such inspection for all purposes whatsoever, including, without limitation, the determination of the character, size, condition, state of repair and suitability of the Subject Property. IN ADDITION, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THE DEED, BILL OF SALE, ASSIGNMENT OF TRANSFERRED INTANGIBLES, ALOMA SPUR AND DELAND SPUR OPTION AGREEMENT, JOINT USE AGREEMENT(S) AND THIS CONTRACT (INCLUDING, WITHOUT LIMITATION, EXHIBIT 18 HERETO), STATE HEREBY ACKNOWLEDGES THAT THE SUBJECT PROPERTY WILL BE TRANSFERRED AS IS, WHERE IS AND WITH ALL FAULTS, DEFECTS AND CONDITIONS OF ANY KIND, NATURE OR DESCRIPTION AS OF THE CLOSING DATE, AND THAT THERE HAVE BEEN NO REPRESENTATIONS, WARRANTIES, GUARANTEES, STATEMENTS OR INFORMATION, EXPRESSED OR IMPLIED, PERTAINING TO SUCH PROPERTY, THE VALUE, DESIGN OR CONDITION THEREOF, ITS MERCHANTABILITY OR SUITABILITY FOR ANY USE OR PURPOSE OR ANY OTHER MATTER WHATSOEVER, MADE TO OR FURNISHED TO STATE BY CSXT OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES.

Section 13. Condition of Property.

Subject to the right of termination expressly set forth herein that are exercisable prior to the Closing and subject to CSXT’s compliance with the provisions of [Exhibit 18] hereto and any warranties, representations and undertakings of CSXT in the Deed, Bill of Sale, Assignment of Transferred Intangibles, Joint Use Agreement(s), Aloma Spur and Deland Spur Option Agreement, the Environmental Agreement and this Contract, State agrees to accept and purchase the Subject Property, without warranty, “as is, where is,” and in the condition in which it finds the Subject Property as of the Closing Date.

Section 14. Other Agreements.

14.1 Ancillary Agreements. In conjunction with the transactions contemplated by this Contract, CSXT and State will enter into the following agreements on or before the Closing Date (the execution
and delivery of each of which on or before the Closing Date shall be a condition precedent to the
obligation of each party to Close: (i) the A-Line Operating Agreement; (ii) the Transition
Services Agreement; (iii) the Joint Use Agreements; (iv) the Projects Agreement; and (v) the
Lease Agreements (collectively, the "Ancillary Agreements"), all as may be amended, from time
to time, or cancelled or terminated in accordance with the provisions of the respective Ancillary
Agreement, and any such amendment(s), cancellation(s) or termination(s) shall not constitute
grounds for the termination of this Contract, or rescission if occurring after Closing in accordance
with the provisions of said Ancillary Agreements.

14.2 **Train Diversion Holdback.** Subject to the terms and conditions of any Ancillary Agreement
concerning the prepayment provisions relating to CSXT's performance of engineering, construction and design work as may be more fully described in such Ancillary Agreement, State shall be entitled to withhold from the Purchase Price to be paid at Closing the sum of [Twenty Five Million and no/100 dollars ($25,000,000.00)], subject to a set-off for the aforesaid payments to CSXT for engineering, construction and design work described in said Ancillary Agreement, pending the diversion of the trains identified in [Exhibit D to the Term Sheet; Exhibit [ ] to the Transitional Services Agreement]. Any such withholding shall be held by State in trust for CSXT pending the performance of the terms and conditions of the Transitional Services Agreement and shall be paid to CSXT in cash or its equivalent, with interest thereon from the Closing Date until payment to CSXT, calculated in the same manner as set forth in Section 55.03, Florida Statutes, in accordance with the payment provisions of the Transitional Services Agreement.

14.3 **CSXT Sales and Other Transactions.** From time to time after the Closing Date, CSXT may sell, transfer or convey any of its personal property, may sell, transfer, convey any of its real property or modify, abandon or discontinue rail operations thereon including, without limitation, lines of railroad that may now or hereafter connect with the Subject Property, and CSXT may se
transfer, convey, abandon or discontinue rail operations on the Subject Property. Any such sale,
transfer, conveyance, abandonment or discontinuance of operations by CSXT after Closing shall
not constitute grounds for the termination of this Contract, and, except as is otherwise expressly
provided in an Ancillary Agreement, any such action shall not relieve or release either party
hereof from any or all of its liabilities, obligations or responsibilities under this Contract or any
Ancillary Agreement.

Section 15. Inspection and Environmental Matters.

15.1 Inspections. Prior to the Closing Date, CSXT has made available from time to time for State's
inspection the deeds and other instruments evidencing CSXT's right, title and interest in the
Subject Property and all contracts, agreements, leases, licenses or easements listed or described in
Exhibits 3 and 9 hereto. Such inspection, in certain respects is continuing at the time of the
execution of this Contract and is expected to continue to Closing, including, but not limited to
title review, review of the Exhibit 3 documents, the Survey and any environmental matters set
forth in Exhibit 18 hereto. On or before Closing, to the extent it has not already done so, CSXT
shall deliver to State (a) originals of (i) all the title derivation documents (deeds, easements,
leases, and other instruments) vesting CSXT with the estate being insured by the Title
Commitment, except where CSXT is retaining any part of the property conveyed by such
instrument, in which case a copy shall be provided, and (ii) the documents constituting the
Transferred Intangibles listed on Exhibit 9 as well as (b) copies of the executed documents (i)
listed as EP Intangibles and Retained Joint Use Intangibles on Exhibit 3, (ii) a legible copy of
each recorded conveyance out by CSXT of any portion of the land of which the Subject Property
was a part whether shown on Valuation Maps or not that CSXT may possess, (iii) originals of
Valuation Maps relating to the Subject Property which CSXT has in its possession after diligent
inquiry where print outs are not legible so that the State may have more legible copies made from
the originals which shall be returned to CSXT and (iv) any further documents in support thereof that State may reasonably require.

15.2 Environmental Agreement. Prior to the Closing CSXT has provided State certain access to the Subject Property as provided in Right of Entry Agreements with State and its consultants in order for State to conduct due diligence and make investigations and inspections, including, without limitation, environmental tests. Exhibit 18 to this Contract contains the agreement of CSXT and the State (the “Environmental Agreement”) as to the responsibility and liability of CSXT and State as to (i) environmental conditions (collectively, “Environmental Assessment Matters”), identified by State in its environmental assessment of the Subject Property, (ii) environmental conditions existing as to the Subject Property before Closing not disclosed in said environmental assessment (collectively, “Other Existing Environmental Matters”), (iii) environmental conditions arising from post Closing freight operations and (iv) environmental conditions arising from post Closing commuter and/or passenger rail operations. The liability and responsibility of CSXT and State as to all of the foregoing shall be exclusively and expressly as described in the Environmental Agreement. The performance by CSXT of its obligations, if any, under the Environmental Agreement pertaining to the Environmental Assessment Matters described in clause (i) of this (and not any pertaining to either clause (ii) or clause (iii) of this Section or otherwise), shall be secured by a standby letter of credit described in the Environmental Agreement in the amount set forth therein (the “Environmental Security”) to be applied as provided in the Environmental Agreement within the time period specified therein, after which time any unused portion of the Environmental Security shall be cancelled or allowed to lapse or expire according to its terms, as the case may be, and as is more fully set forth in the Environmental Agreement.

Section 16. Arbitration.
Arbitration is not contemplated for the resolution of controversies under this Contract, except as is otherwise provided under an Ancillary Agreement.

Section 17. Termination and Rescission.

17.1 Right of CSXT to Terminate. CSXT shall have the unilateral right to terminate and rescind this Contract, prior to the Closing, in the event of any of the following:

(a) Material litigation shall be threatened or pending in connection with the transactions contemplated by this Contract, which litigation or threatened litigation is of such a nature and likelihood of success as to make the continuance of efforts to effect the transactions contemplated by this Contract fruitless;

(b) State has not complied in all material respects with its covenants and agreements contained in this Contract which are to be performed prior to the Closing;

(c) The voluntary or involuntary filing by or against CSXT of any petition, petitions or similar proceedings under the bankruptcy or any insolvency law, federal or state, now or hereafter in existence, or the assignment of all or a substantial portion of CSXT's property for the benefit of creditors, or the appointment of a receiver, trustee or liquidator for all or a substantial portion of CSXT's property;

(d) The institution of a proceeding by any governmental or other lawful authority for the condemnation, expropriation or seizure of the Subject Property, or any portion thereof;

(e) The Closing has not occurred by [ ], for any reason;

(f) State's failure or inability to deliver the written opinion of counsel as provided in Section 7.02 (i) hereof;
(g) The Ancillary Agreements have not been executed and available for delivery on or before Closing by State; or

(h) State shall not have provided notification to the FRA pursuant to Section 5.02 of this Contract at least thirty (30) days prior to the Closing Date.

17.2 Right of State to Terminate State shall have the unilateral right to terminate and rescind this Contract, prior to the Closing, in the event of any of the following:

(a) Material litigation shall be threatened or pending in connection with the transactions contemplated by this Contract, which litigation or threatened litigation is of such a nature as to make the continuance of efforts to effect the transactions contemplated by this Contract fruitless;

(b) CSXT has not complied in all material respects with its covenants and agreements contained in this Contract which are to be performed prior to the Closing;

(c) The voluntary or involuntary filing by or against CSXT of any petition, petitions or similar proceedings under the bankruptcy or any insolvency law, federal or state, now or hereafter in existence, or the assignment of all or a substantial portion of CSXT's property for the benefit of creditors, or the appointment of a receiver, trustee or liquidator for all or a substantial portion of CSXT's property;

(d) The institution of a proceeding by any governmental or other lawful authority for the condemnation, expropriation or seizure of the Subject Property, or any portion thereof;

(e) The Closing has not occurred by [ ], for any reason;
CSXT's failure or inability to deliver the written opinion of counsel as provided in Section 7.02 hereof:

CSXT's disclosure pursuant to Sections 11.01(g) and/or (h) hereof, of any state of facts unacceptable to State;

The State failing to receive formal funding commitments from Federal, State and local authorities for the institution of commuter rail service on the Subject Property including, without limitation, the receipt by State of a Full Funding Grant Agreement from the Federal Transit Administration ("FTA") for commuter and other passenger rail service on the Subject Property;

Any failure of any obligation, term or condition of the Title Commitment, howsoever arising before Closing, including, without limitation, the insolvency or bankruptcy of the Title Company and/or said Title Company's failure, inability or refusal to perform under said Title Commitment before Closing;

Any termination, cancellation, or modification as to the agreements constituting the Transferred Intangibles not permitted in this Contract which occurs prior to Closing;

CSXT's failure to obtain any consent to the assignment of any of the Transferred Intangibles from CSXT to State at Closing required by the documents constituting the Transferred Intangibles;

Any tax, title or United States District Court search, a Uniform Commercial Code search, local tax certificates and/or soil tests obtained by the State are found unacceptable to State prior to Closing;
(m) Any subdivision approval either desired by State or is necessary for the completion of the sale, transfer and conveyance contemplated by this Contract is not obtained and finalized by the Closing Date and evidenced by recorded subdivision plats containing all required governmental approvals;

(n) The Title Commitment, documents referenced in the Title Commitment, title derivation documents, any document referenced in the Valuation Maps pertaining to the Subject Property, the Valuation Maps, or other title matter or document as to the Subject Property are unacceptable to State in any respect or should State not complete its review of the foregoing by the Closing Date;

(o) State is not able to complete the Survey by Closing, the Survey is unacceptable to State in any respect, or there is any matter revealed by the Survey which is unacceptable to State in any respect, but CSXT shall not be required to take any steps to have any survey objection cured, omitted, or eliminated;

(p) State is not able to complete the appraisals of the Subject Property by Closing, the appraisals of the Subject Property obtained by State are unacceptable to State in any respect, or there is any matter revealed by the appraisals which is unacceptable to State in any respect;

(q) The legal description of the Subject Property and CSXT Easement being unacceptable to State and/or the Title Company due to the same being legally insufficient, not supported by the Survey or for other reasons, or the documents which are attached to this Agreement are not satisfactory to State when presented for execution and/or as executed;

(r) State is not able to complete any due diligence it desires to complete by Closing whether title examination, examination of the Survey, identification, inspection, and
documentation of personal property to be transferred to State, tax, financial, environmental, commercial, regulatory or other due diligence or should any of such due diligence reveal any matter unacceptable to State in any respect; or

(s) At the time of Closing any of the representations and warranties of CSXT in this Contract and in the Ancillary Agreements is not true and correct and/or there is a breach or breaches as to same.

17.3 Right of Either CSXT or State to Terminate. Either party shall have the unilateral right to terminate and rescind this Contract, prior to the Closing, if:

(a) the STB has not dismissed the petition contemplated by Section 5.01 of this Contract,

(b) The STB shall have found that it has jurisdiction over the transaction contemplated in this Contract, and/or shall have imposed any conditions, including labor protective conditions, which either party in its sole and absolute discretion deems unacceptable;

(c) The parties have not complied with the conditions, if any, imposed by the STB, in its decision, to the extent required by the STB’s decision to be performed prior to Closing;

(d) The transaction shall have been stayed or enjoined by the STB or by any court;

(e) The State and CSXT fail to receive all necessary regulatory approvals from all regulatory bodies and agencies having jurisdiction over any element of the transactions in this Contract and Ancillary Agreements and for the establishment and operation of commuter and passenger rail service on the Subject Property, all on terms and conditions acceptable to State and CSXT;

(f) Any claim, litigation, labor dispute or work stoppage shall be threatened or pending in connection with the transaction contemplated in the Non-Binding Consolidated Term
Sheet, this Contract, any Ancillary Agreement or any agreement between CSXT and State related to the Subject Property;

(g) Any Ancillary Agreement is, without the advance written consent of both parties to this Contract, amended, cancelled or terminated before the Closing;

(h) The Ancillary Agreements have not been executed and delivered by the parties thereto on or before Closing in form and content acceptable to CSXT and State with all Exhibits attached thereto; or

(i) There is any default existing and uncured at Closing by any party to an Ancillary Agreement;

17.4 Post Termination Liability. In the event that either party hereto terminates this Contract in accordance with this Section 17, then, except as is otherwise expressly provided in this Contract, neither party hereto shall have any liability or further obligation hereunder the other party hereto.

17.5 Notice of Termination. CSXT or State, as the case may be, shall provide notice to the other in the event that CSXT or State shall elect to terminate and/or rescind this Contract pursuant to Sections 17.01, 17.02 or 17.03.

17.6 No Post Closing Rescission. Subsequent to Closing, the remedy of rescission shall not be available to the parties hereto, in any event or under any circumstance.
Section 18. Extension, Waiver and Amendment.

18.1 Modifications. This Contract may be amended or modified at any time and in any and all respects only by an instrument in writing executed by both of the parties hereto.

18.2 Extensions/Waivers. In each instance in which either CSXT or State is entitled to any benefit hereunder, CSXT or State, as the case may be, may: (a) extend the time for the performance of any of the obligations or other acts of the other party hereto; (b) waive, in whole or in part, any inaccuracy in or breach of the representations, warranties and covenants of the other party hereto contained herein; and (c) waive, in whole or in part, compliance with the terms and conditions of this Contract by the other party hereto. Any agreement on the part of either CSXT or State to any such extension or waiver shall be valid only if set forth in an instrument in writing signed and delivered on behalf of the party making such extension or waiver.


19.1 Notice Provisions/Addresses. Any and all notices or other communications hereunder shall be in writing and shall be deemed given if delivered personally or mailed by certified mail, postage prepaid, upon the date so delivered or so deposited in the United States mail to the persons at the following addresses:

If to CSXT, to

President
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

with copy to

Peter J. Shudtz
CSX Corporation
Suite 560 National Place
1331 Pennsylvania Avenue, N.W.
Washington DC 20004
If to State, to
Secretary of Transportation
Florida Department of Transportation
Haydon Burns Building
605 Suwannee Street
Tallahassee, FL 32399-0450

with copy to

Director, Division of Public Transportation Operations
Florida Department of Transportation
Haydon Burns Building
605 Suwannee Street
Tallahassee, FL 32399-0450

with copy to

State Public Transportation and Modal Administrator
Florida Department of Transportation
Haydon Burns Building
605 Suwannee Street
Tallahassee, FL 32399-0450

19.2 Changes in Notice Addresses. Either party to this Contract may provide changes to its address or addressees by furnishing a notice of such change to the other party to this Contract in the same manner as provided above for all other notices.

Section 20. Governing Law.

It is the intention of the parties hereto that the laws of the State of Florida shall govern the validity of this Contract, the construction of its terms and the interpretation of the rights and duties of the parties hereto. Venue for any legal proceedings under this Contract shall be in Leon County, Florida.

Section 21. Counterparts.

This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

Section 22. Interpretation.

State and CSXT acknowledge that the language used in this Contract is language developed and
chosen by both parties to express their mutual intent, and no rule of strict construction shall be applied against either party hereto. The headings contained in this Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract. All personal pronouns used in this Contract shall include the other gender, and the singular shall include the plural, and vice versa, unless the context otherwise requires. Terms such as "herein," "hereof," "hereunder" and "hereinafter" refer to this Contract as a whole and not to the particular sentence, paragraph or section where they appear, unless the context otherwise requires. All words, terms and phrases used in this Contract shall be construed in accordance with the generally applicable definition of such words, terms and phrases in the railroad industry, or otherwise in accordance with their plain meaning. Whenever reference is made to a Section of this Contract, such reference is to the Section as a whole, including all of the subsections and subparagraphs of such Section, unless the reference is expressly made to a particular subsection or subparagraph of such Section.

Section 23. Exhibits.

All exhibits attached hereto are hereby incorporated by reference into, and made a part of, this Contract.

Section 24. Survival.

The terms, conditions, representations, warranties and covenants of this Contract shall survive the delivery of the Deed and the other instruments herein contemplated, and shall not be deemed merged therein or terminated thereby.

Section 25. Entire Agreement.

This Contract constitutes the entire agreement among the parties hereto, and, except as otherwise expressly provided herein or in an Ancillary Agreement, supersedes all other prior agreements and understandings, both written or oral, between or among the parties hereto, or any of them, with respect to the subject matter of this Contract, including, without limitation, that certain Non-Binding Term Sheet exchanged as of August 2, 2006.
Section 26. Waiver.

Neither the failure to exercise nor any delay in exercising on the part of either party hereto of any exception, reservation, right, privilege, license, remedy or power under this Contract shall operate as a waiver thereof, nor shall any single or partial exercise of any exception, reservation, right, privilege, license, remedy or power under this Contract preclude any other or further exercise of the same or of any other exception, reservation, right, privilege, license, remedy or power, nor shall any waiver of any exception, reservation, right, privilege, license, remedy or power with respect to any occurrence be construed as a waiver of such exception, reservation, right, privilege, license, remedy or power with respect to any other occurrence.

Section 27. Expenses.

Except to the extent otherwise expressly provided in this Contract, any and all expenses incurred by either party hereto in connection with this Contract and the transactions contemplated hereby shall be borne by the party incurring such expenses.


Both parties hereto shall exert their reasonable best efforts to cause the transactions contemplated by this Contract to be consummated and to fulfill all conditions and obligations of such party under this Contract. State shall cooperate with CSXT at Closing and thereafter in connection with one or more tax deferred exchanges, provided State shall bear no material expense or incur any material liability in connection with such exchanges.

Section 29. Time of the Essence.

It is understood and agreed by the parties that the prompt and timely performance of all obligations, responsibilities and conditions under this Contract, including, without limitation, those pertaining to Section 8 hereof, is of the essence of this Contract.

Section 30. Prohibition of Third Party Beneficiaries.

Nothing herein expressed or implied is intended to or shall be construed to confer upon or to give any person, firm, partnership, corporation or governmental entity other than the parties hereto and their
respective legal representatives, successors and assigns, any right or benefit under or by reason of this
Contract; provided, however, that nothing contained in the foregoing provisions shall be construed to
limit or restrict the enjoyment and use of the exceptions, reservations, rights and privileges contained in
Section 8 of this Contract and the Exhibits referred to therein or any other party's(ies) enjoyment or use of
any and all of the exceptions, reservations, rights or privileges that may be granted or conferred to such
other party(ies) by contract(s), agreement(s), lease(s), license(s) or easement(s) entered into between
CSXT and such other party(ies) pursuant to Section 8 hereto and the Exhibits referred to therein.

Section 31. Successors and Assigns.

This Contract shall inure to the benefit of and be binding upon the respective successors and
assigns of the parties hereto; provided, however, that, except as otherwise expressly provided in this
Contract, this Contract may not be assigned, in whole or in part, by State other than to any State agency,
political subdivision, municipality, county, authority, public body corporate or instrumentality of the State
without the prior written consent of CSXT.

[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, and the seal of each, duly attested, to be hereunto affixed.

Signed, Sealed and delivered in the Presence of:

Signed Name: ____________________________
Print Name: ____________________________
Signed Name: ____________________________
Print Name: ____________________________

"CSXT"

CSX TRANSPORTATION, INC., a Virginia corporation

BY: ____________________________
(Signed Name)

Print Name: ____________________________

ITS: ____________________________

[Corporate Seal]
Signed, Sealed and delivered in the Presence of:

Signed Name: ____________________________
Print Name: ______________________________

Signed Name: ____________________________
Print Name: ______________________________

Signed Name: ____________________________
Print Name: ______________________________

THE AFOREMENTIONED CONTRACT FUNDS ARE APPROVED AND HAS BEEN REVIEWED AND APPROVED AVAILABLE AS TO FORM

“STATE”

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION

BY: ________________________________ (Signed Name)
Print Name: ______________________________

ITS: ________________________________
Attest: ________________________________
Print Name: ______________________________
STATE OF FLORIDA  
COUNTY OF ____________

I, ________________________, a Notary Public of the State of Florida, do certify that, on the date below, before me in said County, personally came ____________, to me known, and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: he resides in ____________, __________ County, Florida; he is a duly authorized agent and attorney-in-fact of CSX Transportation, Inc., the corporation described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said corporation, the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said corporation; he signed his name thereto for said corporation pursuant to such authority; and the execution of this instrument is the free act and deed of said corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ___ day of __, 2007.

Notary Public  
My Commission Expires:
STATE OF FLORIDA
COUNTY OF __________

I, _____________________________, a Notary Public of the State of Florida, do certify that, on the date below, before me in said County, personally came ___________, to me known, and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: he resides in __________, __________ County, Florida; he is Deputy Assistant Secretary of Transportation of the Florida Department of Transportation, the State agency described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of the Florida Department of Transportation; the seal affixed to said instrument is such seal; it was duly affixed; he signed his name thereto for said State pursuant to his authority; and the execution of said instrument is the free act and deed of said State of Florida Department of Transportation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this __ day of __, 2007.

Notary Public
My Commission Expires:

Confidential Non-Binding Term Sheet Material exempt from Chapter 119, Florida Statutes pursuant to Section 815.045, Florida Statutes
EXHIBIT 11.

MEMORANDUM OF ASSIGNMENT OF TRANSFERRED INTANGIBLES

KNOW ALL MEN BY THESE PRESENTS THAT CSX TRANSPORTATION, INC., a Virginia corporation, whose address is 500 Water Street, Jacksonville, Florida 32202 ("Assignor") and STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION, whose address is Haydon Burns Building, 605 Suwanee Street, Tallahassee, Florida 32399-0450 ("Assignee") on __________, 200__, (the "Closing Date") made and entered into an Assignment of Transferred Intangibles under which, the recorded Transferred Intangibles listed on Exhibit A attached hereto and incorporated herein by this reference thereto, among other Transferred Intangibles, were assigned by Assignor to Assignee under the provisions of such Assignment of Transferred Intangibles, all effective upon the Closing Date.

Counterparts of this Memorandum shall be recorded in Volusia County, Seminole County, Orange County and Osceola County, Florida, for recording notice purposes. Nothing herein is intended to alter or shall be construed as altering in any way the terms of the Assignment of Transferred Intangibles.
IN WITNESS WHEREOF, this Memorandum of Assignment of Transferred Intangibles is dated as of the ___ day of _____________, 2007.

ASSIGNOR

CSX TRANSPORTATION, INC.,
a Virginia corporation

Signed, sealed and delivered in the presence of:

Print Name: ______________________

Print Name: ______________________

Print Name: ______________________

STATE OF FLORIDA
COUNTY OF ____________

I, ________________________, a Notary Public of the State of Florida, do certify that, on the date below, before me in said County, personally came _______, to me known, and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: he is the ______________ of CSX Transportation, Inc., the corporation described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said corporation, the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said corporation; he signed his name thereto for said corporation pursuant to such authority; and the execution of this instrument is the free act and deed of said corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ___ day of __, 2007.

Notary Public
My Commission Expires:
<table>
<thead>
<tr>
<th>Assignor's Contract No.</th>
<th>Lessee's/Licensees/Grantee's Name</th>
<th>Date of Agreement</th>
<th>Recording Book and Page</th>
</tr>
</thead>
</table>

EXHIBIT A – RECORDED TRANSFERRED INTANGIBLES
IN WITNESS WHEREOF, this Memorandum of Assignment of Transferred Intangible is dated as of the __ day of _____________, 2007.

ASSIGNEE

Signed, sealed and delivered in the presence of:

Print Name: __________________________

Print Name: __________________________

__________

Print Name: __________________________

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION,

By: __________________________

Signature

Print Name: __________________________

Title: __________________________

STATE OF FLORIDA
COUNTY OF ____________

I, __________________________, a Notary Public of the State of Florida, do certify that, on the date below, before me in said County, personally came __________, to me known, and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: he resides in ____, ______ County, Florida; he is Deputy Assistant Secretary of Transportation of the Florida Department of Transportation, the State agency described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of the Florida Department of Transportation; the seal affixed to said instrument is such seal; it was duly affixed; he signed his name thereto for said State pursuant to his authority; and the execution of said instrument is the free act and deed of said State of Florida Department of Transportation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this __ day of __, 2007.

Notary Public
My Commission Expires:
Dear ____________

On ____________, 200_, (the "Closing Date"), CSX TRANSPORTATION, INC. ("CSXT") and the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION ("FDOT") completed the conveyance, assignment and transfer by CSXT to FDOT of certain real and personal property for FDOT's intended use of that property as a commuter rail system. Included in that property is CSXT's rights and interest in a contract to which you are a party, which contract is identified in Exhibit A, attached ("Contract").

CSXT and FDOT hereby notify you of the conveyance, assignment and transfer of the Contract by CSXT to FDOT effective upon the Closing Date. Please direct all future communications about the Contract and make any payments of sums due under the Contract from and after the Closing Date, to FDOT at the following address:

Director, Division of Public Transportation Operations
Florida Department of Transportation
Haydon Burns Building
605 Suwanee Street
Tallahassee, Florida 32399-0450

CSXT and FDOT will appreciate your cooperation in this regard. FDOT looks forward to working with you.

Sincerely,

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION,

By: ___________________________ Signature
Print Name: ___________________________
Title: ___________________________

CSX TRANSPORTATION, INC.,
a Virginia corporation

By: ___________________________ Signature
Print Name: ___________________________
Title: ___________________________

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EXHIBIT A—TRANSFERRED TANGIBLES

[insert information to identify contract between CSXT and the addressee]