

March 17, 2015

**OPERATING AGREEMENT DRAFT OUTLINE
NRTC and GLFR Log Car Fleet**

1. Parties

- 1.1. Northwoods Rail Transit Commission [car owner] and NRTC management entity.
- 1.2. CN [principal rail carrier, custodian of log cars].
- 1.3. WisDOT [public stakeholder]. MI-DOT, MN-DOT [other public stakeholders]?
- 1.4. E&LS and other RR [interchange RR annex/supplemental agreements]?

2. Car Purchase, Supervision, Delivery, Inspection, Acceptance [CN responsibility].

3. NRTC Car Identification and Marks [annex for each car?]

4. Possession and Control of GLFR Log Cars.

- 4.1. Scope of operations.
- 4.2. Insurance, indemnification, no liens or liabilities.

5. Maintenance, Repair and Replacements.

6. GLFR Log Car Fleet Integration [concept/example?].

- 6.1. CN-owned GLFR log car fleet, identification of assigned cars.
- 6.2. Integration – Operations.
- 6.3. Integration – Rate equalization [a formula, incl. car quality consideration, built into log rate structure or paid as dividend – e.g., like cooperative – to log car users]?
- 6.4. Integration – Log cars owned, assigned by other railroads [virtual single line]?
- 6.5. Reports, performance and rate equalization metrics?

7. Termination and Car Retirements, Re-Assignments.

- 7.1. NRTC log cars.
- 7.2. CN log cars.
- 7.3. Other cars assigned to GLFR fleet/
- 7.4. Termination of Operating Agreement and wind-down?

8. General and Miscellaneous [incl. legal boilerplate].