

MEMORANDUM OF UNDERSTANDING
Between
Illinois Department of Transportation
And
Iowa Department of Transportation
For
The Implementation of Rail Passenger Service on Two Corridors
Linking Cities in their Respective States

This Memorandum of Understanding (MOU) is entered into this 27th day of July, 2009, by and between the Illinois Department of Transportation (Illinois DOT) and the Iowa Department of Transportation (Iowa DOT), (collectively, the "Agencies"), for the purpose of coordinating and documenting each agency's responsibilities in implementing actions relating to the establishment of passenger rail service, to be operated by a major railroad company from Chicago to Iowa City and from Chicago to Dubuque and the cities in between ("the Corridors").

WHEREAS, based on planning work conducted by the Midwest Regional Rail Initiative ("MWRRI"), and on feasibility studies conducted by the National Railroad Passenger Corporation ("AMTRAK") for both states, Illinois DOT and Iowa DOT agree to move forward with efforts to expand the Midwest passenger rail network to offer passenger rail service in the Corridors.

WHEREAS, Illinois DOT and Iowa DOT agree to cooperate and coordinate the planning and implementation of passenger rail service in the Corridors and to share certain costs associated with the preparation and operation of these routes as described below, based on capital and operating cost estimates outlined in the following Amtrak reports:

1. "Feasibility Study on Proposed Amtrak service: Chicago to Iowa City, Iowa via Quad Cities", revised April 2008, hereafter known as "The Quad Cities Study"; and
2. "Feasibility Report on Proposed Amtrak Service: Chicago-Rockford-Galena-Dubuque", revised June 2007, hereafter known as "The Dubuque Study."

WHEREAS, Illinois DOT and Iowa DOT agree to cooperate and coordinate the planning and implementation of passenger rail service in the Corridors and to share certain costs associated with the preparation and operation of these routes, as part of the base application for stimulus funding under the American Recovery and Reinvestment Act ("ARRA") to support passenger rail service.

WHEREAS, Illinois DOT and Iowa DOT agree that the agencies will mutually support each individual ARRA application by the two states, and that this agreement shall be subordinate to any multi-state MOU the two states enter into regarding the implementation of high-speed passenger rail service connections involving corridors between Midwestern states.

NOW, THEREFORE, be it resolved that Illinois DOT and Iowa DOT agree as follows:

- a. Illinois DOT will be responsible for coordinating with owner railroads to plan, finance and complete track and signal work within its state boundaries, which is necessary for the implementation of passenger rail service in the Corridors listed above;
- b. Iowa DOT will be responsible for coordinating with owner railroads to plan, finance and complete track and signal work within its state boundaries which is necessary for the implementation of passenger rail service in the Corridors;
- c. Illinois DOT and Iowa DOT will be separately responsible for executing operating agreements with passenger rail service operators that will specify the service parameters, equipment allocation, promotional arrangements, operating costs and other obligations, for providing passenger rail service within the boundaries of each state; and

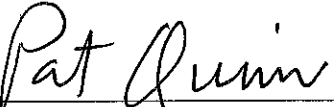
- d. Illinois DOT and Iowa DOT will share the cost of operating passenger rail service and the cost of equipment for providing passenger rail service from Chicago to Iowa City based on the mileage percentage – 73% (158.6 miles) in Illinois and 27% (59.3 miles) in Iowa - identified in “The Quad Cities Study”; and will share the cost of operating passenger rail service and the cost of equipment for providing passenger rail service from Chicago to Dubuque based on the projected ridership percentage – 83% in Illinois and 17% in Iowa - identified in “The Dubuque Study.”

Illinois DOT and Iowa DOT will be separately responsible for coordinating with each state’s local communities on each route to provide station facilities for passenger waiting and boarding.

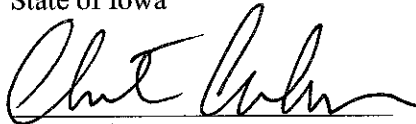
BE IT FURTHER RESOLVED that the parties may mutually agree in writing to amend this MOU and to develop such additional provisions and procedures as they determine to be necessary in order to pursue the development of the Corridors for the implementation of passenger rail service.

AND FINALLY BE IT RESOLVED THAT, the undersigned understand and accept the roles and responsibilities assigned to each of the parties. Each of the parties agrees to ensure that the goal of expanding the Midwest passenger rail network to offer passenger rail service for the Corridors is developed in cooperation to the maximum extent possible; to ensure that the project is developed in full compliance with Federal and State requirements; and to ensure that there is maximum communication and minimum duplication of effort.

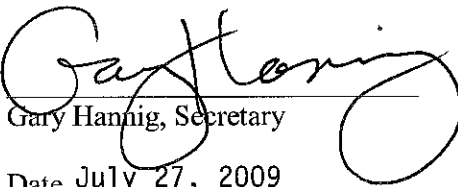
State of Illinois


Pat Quinn, Governor
Date July 27, 2009

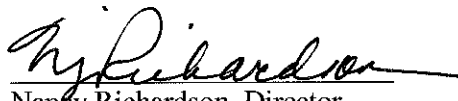
State of Iowa


Chet Culver, Governor
Date July 27, 2009

Illinois Department of Transportation


Gary Hannig, Secretary
Date July 27, 2009

Iowa Department of Transportation


Nancy Richardson, Director
Date July 27, 2009