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SETTLEMENT AGREEMENT COVERING  
AMTRAK/NJ TRANSIT  
900 DAY OPTION PROPERTIES

NYSDEC  
WHITE PLAINS  
D.E.E.

This Settlement Agreement (Agreement) is made this 13th day of December 1982, between the National Railroad Passenger Corporation (Amtrak), a corporation organized and existing under the laws of the District of Columbia with an office at 400 North Capitol Street, N.W., Washington, D.C. 20001, and the New Jersey Transit Corporation (NJ Transit), successor to the Commuter Operating Agency of the New Jersey Department of Transportation (COA), with an office at McCarter Highway and Market Street, Newark, New Jersey.

WHEREAS, pursuant to the Regional Rail Reorganization Act of 1973, as amended (Act), the Final System Plan (FSP) of the United States Railway Association (USRA) designated for conveyance by the Consolidated Rail Corporation (Conrail) to Amtrak certain rail station and other operating properties; and

WHEREAS, NJ Transit believes the FSP, by amendment of the USRA Board of Directors adopted on March 3, 1976, offered the COA options exercisable within 900 days after conveyance to acquire certain of the passenger rail station and associated parking facilities to be conveyed to Amtrak, which exercise time was subsequently extended by Congress to three years after conveyance (April 1, 1979); and

WHEREAS, on April 1, 1976, Conrail deeded to Amtrak the aforementioned properties, and on the same date Amtrak gave Conrail a purchase money mortgage on the aforementioned properties; and

WHEREAS, on December 9, 1976, Amtrak gave a second mortgage covering the aforementioned properties to the United States of America acting through the Federal Railroad Administrator (FRA), which mortgage secured a Note dated December 9, 1976; and

WHEREAS, on September 15, 1978, and March 31, 1979, the COA delivered by hand to Amtrak checks for monies representing the net liquidation value of the properties as established by USRA; and

WHEREAS, a dispute arose between Amtrak and NJ Transit as to the nature and extent of the rights, options and interests, if any, granted by USRA to NJ Transit; and

WHEREAS, NJ Transit has filed an action before the Special Court, Regional Rail Reorganization Act of 1973, Misc. No. 75-3(A), to adjudicate its option rights and Amtrak has opposed that action; and

WHEREAS, Amtrak has filed a complaint before the Special Court, Regional Rail

Reorganization Act of 1973, No. 81-1, against USRA challenging the USRA's interpretation of the Act with respect to NJ Transit's options; and

WHEREAS, the parties have agreed to settle this action and to reflect the terms and conditions of such settlement in this Agreement, followed by the formal conveyance by Amtrak of the rail stations and operating properties by deeds in fee or by easements, as appropriate,

NOW, THEREFORE, in consideration of the benefits conferred herein, the parties intending to bind their successors and assigns agree as follows:

## ARTICLE I

### NJ TRANSIT ACQUIRED PROPERTIES

#### 101. Conveyance

##### (a) Definitions

(1) "Fee Properties"

Those properties conveyed herein by Amtrak to NJ Transit in fee simple.

(2) "Easement Properties"

Those properties in which Amtrak retains fee simple title but conveys to NJ Transit an easement for rail purposes such as parking, station platform, rail connection, etc.

(3) "Acquired Properties"

When referred to collectively herein Fee Properties and Easement Properties shall be referred to as "Acquired Properties."

##### (b) Amtrak

(1) Subject to the reservation of rights set forth herein, Amtrak will convey by deed or deed of easement to NJ Transit those properties described in Section 106 and Article III including but not limited to buildings, facilities, platforms, parking lots and land as shown and described in Exhibit A and Exhibits E-1 and E-2.

(2) Deeds in the form attached as Exhibit B conveying Amtrak's interest in the Acquired Properties will be quitclaim and will follow the general format and content of those deeds previously conveyed by Conrail to Amtrak, except that Amtrak will covenant against grantor's acts in that it has delivered the deeds without encumbrances (except encumbrances by virtue of the agreements described in Sections 101(c)(2) and 103(c) and easements and licenses

Such review will follow the procedures set forth in Section 103(e)(2).

#### ARTICLE IV

#### NJ TRANSIT ACQUIRED USE AND OCCUPANCY RIGHTS

##### 40L Sunnyside Yard, New York

- (a) Amtrak will continue to extend to NJ Transit the use, including ingress and egress, of appropriate portions of Sunnyside Yard as set forth in Exhibit F-1, for (1) maintenance of equipment used in NJ Transit's commuter passenger service, and (2) storage and staging of trains that originate and terminate out of Penn Station, New York City. Amtrak also agrees to permit NJ Transit to expand such use, so long as space is available and such proposed expansion does not interfere with Amtrak's current or anticipated intercity rail passenger operations.
- (b) NJ Transit will assume its portion of the costs related to maintaining and operating this facility as agreed to by the parties or as established by a duly authorized third party such as the Interstate Commerce Commission.
- (c) Amtrak reserves the right to develop or dedicate to commercial or non-rail use those portions of Sunnyside Yard not used or reasonably necessary for NJ Transit's commuter rail service as set forth in Subsection (a) above.

##### 402. Harrison Yard

- (a) Amtrak will grant to NJ Transit exclusive use and occupancy rights to property and facilities at Harrison, New Jersey as delineated in Exhibit F-2 annexed hereto and designated the Harrison (CNJ) Yard (CNJ Yard).
- (b) In consideration of the settlement evidenced by this Agreement and the use and occupancy of the CNJ Yard, NJ Transit will assume maintenance of way and facility expenses for the CNJ Yard.

#### ARTICLE V.

#### GENERAL PROVISIONS

##### 50L Claims for Personal Injury and Property Damage

- A. Amtrak will, without regard to negligence or fault, indemnify and hold NJ Transit harmless from and against any and all claims for liability for personal injury, death or property damage by Amtrak employees arising

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Parcels U152A, U152B & U152C, as indicated on a map entitled: "New Jersey Transit Corporation, SUNNYSIDE YARD, PENN CENTRAL RAILROAD, M.P. 3.5, LINE CODE #1411, BOROUGH OF QUEENS, STATE OF NEW YORK, SCALE: AS INDICATED, JUNE 1978";

Parcel U152A, consisting of a right to use and occupy lands at about Station 81+00 more particularly described as follows; bounded on the northwest and north by proposed right to use line "A", as laid down on the aforesaid map; on the east by the easterly line of Honeywell Street; on the south, southeast and south by proposed right to use line "C", as laid down on the aforesaid map; and on the southwest by the northeasterly line of Queensboro Bridge Approach; all as shown on the aforesaid map; containing 4.841 acres more or less;

Parcel U152B, consisting of a right to use and occupy lands at about Station 95+00 more particularly described as follows; bounded on the west by the easterly line of Honeywell Street; on the northwest and north by proposed right to use line "B", as laid down on the aforesaid map; on the east by the westerly line of Harold Avenue; and on the south by proposed right to use line "E", as laid down on the aforesaid map; all as shown on the aforesaid map; containing 9.075 acres more or less;

Parcel U152C, consisting of a right to use and occupy lands at about Station 88+00 more particularly described as follows; bounded on the southwest by the northeasterly line of Queensboro Bridge Approach; on the north, northwest and north by proposed right to use lines "C" and "E", as laid down on the aforesaid map; on the east by the westerly line of Harold Avenue; and on the south, southeast and south by proposed right to use line "D", as laid down on the aforesaid map; all as shown on the aforesaid map; containing 12.601 acres more or less.