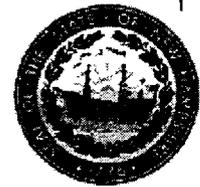




THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



CHRISTOPHER D. CLEMENT, SR.
COMMISSIONER

JEFF BRILLHART, P.E.
ASSISTANT COMMISSIONER

Bureau of Rail & Transit
April 4, 2013

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 228:57 and RSA 228:68, authorize the Department of Transportation to enter into an Operating Agreement with the Springfield Terminal Railway Co. (Vendor # 160980), 1700 Iron Horse Park, North Billerica, Massachusetts 01862, from Governor and Council approval through December 31, 2015, with a provision for renewal for an additional seven-year period, subject to Governor and Council approval through December 31, 2022. 100% Agency Income.

Income from the agreement will be credited as follows:
Special Railroad Fund 04-96-96-964010-2991-009-407323 Agency Income.

EXPLANATION

The Department of Transportation and the Springfield Terminal Railway Co. have negotiated a new Operating Agreement for a three-year period to provide rail freight service on the state-owned Hillsboro Branch Railroad line in Wilton, Lyndeborough, Greenfield, Hancock and Bennington. This followed a request for proposals for operating the railroad, a review of the proposals received, and selection of the Springfield Terminal Railway Co. by the Department.

The Department of Transportation, Bureau of Rail & Transit, undertook the task of procuring a transportation operator to provide rail freight service between Wilton and Bennington. The Bureau prepared and issued a request for proposals (attached) and participated on a selection committee that included a Regional Planning Commission member and a representative of a Hillsborough County municipality. The Bureau solicited proposals by mail from qualified railroad transportation providers and notified planning commissions and other interested parties. Public notice was also made available on the Department of Transportation website.

The selection committee members consisted of Timothy Roache of the Nashua Regional Planning Commission, Timothy Thompson of the Town of Merrimack Community Development Department, Louis Barker and Christopher Morgan of the NH Department of Transportation, Bureau of Rail & Transit.

The Department received two proposals for the rail freight service on the state-owned Hillsboro Branch Railroad line. The selection committee met on April 12, 2012, reviewed the proposals and determined only one was responsive to the Request for Proposal. The proposal from the Springfield Terminal Railway Co. was determined to be responsive and was evaluated against seven criteria. The criteria as listed in the request for proposals was:

Operating and management experience and overall ability to perform the required services.

Proposed cost and revenue structure including revenue to NHDOT.

Financial ability to operate short line service, and references.

Maintenance equipment provided.

Operating equipment provided.

Proposed operating plan.

Proposed marketing plan.

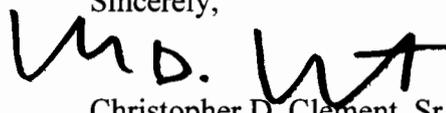
Under the agreement, the Springfield Terminal Railway Co. shall pay 5% of its gross revenue to the State and is required to invest 20% of its revenue in the maintenance of this State-owned railroad corridor each operating season.

Normally it has been State's policy that railroad-operating agreements have a term of 10 years with existing operators. As this is a new operator for the State-owned Hillsboro Branch the term was limited to two and one half years in order to protect long-term State interests. This will permit the new railroad operator time to negotiate tariffs with shippers, start up operation and have at least one if not two operating years to meet the minimum contract requirements. If the Springfield Terminal Railway Company meets the obligations of the contract then a renewal agreement may be submitted to Governor & Council for approval. If the Springfield Terminal Railway Company is unable to meet the requirements, the contract will terminate on December 31, 2015.

This Agreement has been reviewed and approved by the Office of the Attorney General for form and execution. Copies of the fully executed Agreement have been provided to the Secretary of State's Office and the Department of Administrative Services. Subsequent to the Governor and Council approval, a copy of the Agreement will be on file with the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,



Christopher D. Clement, Sr.
Commissioner

**NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION
REQUEST FOR PROPOSALS:
SHORT LINE OPERATION OF THE
HILLSBORO BRANCH RAILROAD LINE**

I. PURPOSE OF REQUEST FOR PROPOSALS (RFP)

The New Hampshire Department of Transportation (NHDOT) requests proposals for railroad short line operators to provide rail service on the State-owned Hillsboro Branch Railroad Line between Wilton and Bennington, NH. The NHDOT wishes to select a railroad operator to enter into an agreement with NHDOT for the rail operating rights and maintenance responsibilities for this line, for a term of up to ten years.

The Proposal is intended to permit NHDOT to determine each applicant's ability to provide operating services on this line.

The Agreement to be executed between the NHDOT and the Operator will define the parameters of the Operator's use of the rail line and may include, without limitation, provisions on liability, insurance, maintenance standards, service levels, indemnification, termination, affirmative action and environmental impact. All parties submitting proposals understand that the Agreement will require the selected Operator to terminate its operations, relinquish the property, and file documents for discontinuance of service with the Surface Transportation Board, upon the expiration of the terms of the Agreement or upon any breach thereof by the Operator. Parties submitting proposals further understand that such provision may be subject to enforcement by bond, surety, or power of attorney provision.

II. LINE AND SERVICE IDENTIFICATION

The active portion of the Hillsboro Branch Railroad line extends from Milepost 16.36 in the Town of Wilton, identified as Station 12+00 on V18 Map 1, to Milepost 62.00 at Station 1197+06 on V 34 Map 9 in the Town of Bennington. There is one rail customer on the line, which requires rail shipment of stone from a quarry at MP 18.62 on the state-owned line to a processing plant at MP 13.54, on a portion of the line owned by Pan Am Railways/Boston & Maine Corporation. The remainder of the state-owned line is not in active rail service at this time.

The selected operator will maintain and operate freight service over the line referenced above, at the operator's sole expense.

The operator will furnish appropriate locomotive power to maintain operations and furnish fuel, crews, maintenance and supplies. All equipment and crews must meet FRA qualification and licensing requirements at all times.

The operator will be responsible for maintaining track to conditions as of the most recent inspection, FRA Class 2. This will require a track maintenance program to include bridges, culverts, signals, vegetation control and other requirements. Any derailment must be immediately reported to NHDOT and service resumed within 48 hours. The operator will provide inspection and maintenance reports to NHDOT.

The operator will be responsible for car hire, car accounting, and record keeping according to the Association of American Railroads, and other pertinent standards. The operator must provide necessary car and other equipment for the service.

The operator will be required to submit a marketing and operations plan for the line to NHDOT.

III. CONTENT OF PROPOSALS: All proposals must contain the following information

A. Identification of Applicant

1. Name of corporation, where and when incorporated, and a description of why the applicant desires to provide rail service on the property.
2. Name, address, and telephone number of the applicant's contact person.
3. Names and places of residence of stockholders owning more than 5% of the corporation's stock.
4. Names and resumes of all officers of the corporation.

B. A detailed narrative of the applicant's proposed rail operation, including:

1. Description of the status of operating rights or trackage or interchange agreements, if any, on connecting lines to be used for proposed operations.
2. Maintenance plan to cover the proposed length of the operating agreement; the operator will be responsible for maintenance of track, bridges, highway rail crossings including signal systems, brush cutting and weed control, ditching, and other rail facilities necessary for safe operation of the railroad.
3. Business and marketing plan for developing customers on the line.

C. Certification from the Surface Transportation Board that the applicant is authorized to operate as a railroad common carrier.

D. Sufficient information to verify the corporation's and/or operator's financial ability to provide and sustain service and maintenance for a ten-year period, to include:

1. A detailed annualized cash flow statement and balance sheet; published financial statement.
2. Letters of reference from an officer of a financial institution with whom the applicant does business; and another operating railroad with knowledge of the applicant's ability to provide rail service.
3. Indication of the amount of funds currently available, as well as funds that will become available upon selection, to sustain rail service for at least ten years. If funding is contingent upon selection as operator, applicant must provide documentation as to the availability of funding if selected.
4. Letter of insurability from an insurer qualified to do business in the State with details of the proposed insurance coverage, including general liability, Federal Employee's Liability Act (FELA), cargo and foreign rolling stock liability, workmen's compensation, fire coverage, etc. If any of the insurance policies has a deductible, identify the source of funds to cover deductible amounts. (Operator's insurance policy will name the NHDOT as an additional insured, and the operator shall indemnify, defend, and hold harmless the state and its officers, agents, representatives and employees harmless from any and all claims, actions, causes of actions, losses, expenses, damages and liabilities.)
5. Pro-forma financial statement for the proposed operation, clearly indicating anticipated revenues and costs, carloads and personnel required for a ten-year period.

- B. NHDOT will attempt to notify each applicant of acceptance or rejection of its proposal by April 11, 2012.
- C. Applicants submitting proposals may be requested to appear for an interview and/or to supply further information.
- D. Receipt of statements and plans submitted pursuant to the RFP shall be considered neither a contract nor a commitment on the part of NHDOT, which will not be liable for any costs incurred in the preparation of the proposal. NHDOT may require a bond of \$5,000 to ensure that the applicant will go forward in good faith with negotiations and the proposed operation. Within fourteen (14) days after an Agreement is executed by the Commissioner of NHDOT and approved by the Governor and Council, the bond will be returned. NHDOT reserves the right to reject any and all proposals submitted.
- E. No person who is a State employee or official may submit a proposal.

V. **SUBMISSION OF PROPOSALS**: Submit proposals to:

Christopher Morgan, Administrator, Bureau of Rail & Transit, NHDOT
P.O. Box 483, Concord, NH 03302-0483
Telephone: (603) 271-2468 Fax: (603) 271-6767 (**No fax or email proposals**)

NO LATER THAN: March 21, 2012 (3 pm EST). Any proposal that does not contain all requested information may be rejected. Requests for clarification must be submitted in writing prior to March 7, 2012, and clarifications and any revisions to the RFP will be posted on the Bureau website.

- E. Name, location and characteristics of other railroad property, if any, presently operated and a copy of the two most recent annual reports from that property.
- F. Description of the experience and skill level of each key management employee and each officer to be assigned to operate and maintain the property, and to perform the following functions (or contractors if applicable):
1. Operation of trains.
 2. Maintenance of rail facilities.
 3. Performance of timekeeping, billing, interline settlement, demurrage, accounting and other administration functions, including a proposed tariff schedule.
 4. Negotiation and implementation of contracts and agreements.
 5. Development and maintenance of performance standards.
 6. Marketing.
- G. Description of the means of accomplishing the following.
1. Supplying motive power for the line.
 2. Supplying freight car needs.
 3. Providing experienced railroad supervision, sufficient track laborers, track tools and equipment for initial start-up and continued maintenance of track to permit rail operation at a minimum FRA Class II Standard.

The applicant shall be fully informed of all federal and state laws and regulations that in any manner affect the operation of a railroad, as well as permits or licenses that may be required, and the provisions governing the execution of leases and contracts with the State of New Hampshire.

IV. EVALUATION OF PROPOSALS

- A. The respondent must provide satisfactory information on Section III above; indication of its ability to provide freight service to the existing shipper on the line, Granite State Concrete; and proof of operating or trackage rights or ability to obtain rights on the portion of the Hillsboro Branch owned by Pan Am Railways in Milford to the Granite State Concrete facility. The Department of Transportation will evaluate proposals based on the following criteria.
- Operating and management experience and overall ability to perform the required services
 - Proposed cost and revenue structure including revenue to NHDOT
 - Financial ability to operate short line service, and references
 - Maintenance equipment provided
 - Operating equipment provided
 - Proposed operating plan
 - Proposed marketing plan

**OPERATING AGREEMENT
ON THE
STATE-OWNED PORTION OF THE HILLSBORO BRANCH RAILROAD LINE
BETWEEN**

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION
BUREAU OF RAIL AND TRANSIT**

AND

**SPRINGFIELD TERMINAL RAILWAY COMPANY
1700 Iron Horse Park
North Billerica, Massachusetts 01862**

Contractor Initials *JK*
Date *4/17/13*

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Date 4/17/13

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Contractor Initials *JCC*
Date 4/17/15

ARTICLE I – GENERAL CONDITIONS

1.1 DEFINITIONS - As used herein, the following terms have the meanings indicated:

- a. "Agreement" - means the Operating Agreement dated _____.
- b. "Monthly Gross Operating Revenue"—means those revenues derived monthly by the Contractor from providing Service to shippers on the Line and shall not include revenue derived by the Contractor from providing services to shippers on the balance of Contractor's rail system or those systems which Contractor operates.
- b. "Commencement Date" – means the date on which the Contractor commences Service.
- c. "Completion Date" – means December 31, 2015 unless this Agreement is otherwise extended or renewed.
- d. "Contractor"- means Springfield Terminal Railway Company, 1700 Iron Horse Park, North Billerica, MA 01862.
- e. "Contracting Officer" – means Commissioner, New Hampshire Department of Transportation (NHDOT), or his duly authorized representative having an address of 7 Hazen Drive, P.O. Box 483, Concord, NH 03302-0483. The Contracting Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement and the resolution of any disputes by the Contracting Officer shall be final.
- f. "Contractor's Representative" means representative of the Contractor responsible for making contract decisions and will be the Contractor's contact for the State's Contract Officer
- g. "Effective Date" means the date this Agreement is approved by the Governor and Council of the State of New Hampshire.
- h. "FRA" means the Federal Railroad Administration.
- i. "Line" – means the State owned railroad line beginning in Wilton at MP 16.36 and heading west to MP 62 in Bennington as more particularly described in Section 2.1.
- j. "Major Maintenance Expenditure"—means any expenditure to address a condition on the Line that prevents Service on the Line while the condition exists. Major Maintenance Expenditures include, but are not limited to, bridge failures/rehabilitation, major washouts, crossing rehabilitation/reconstruction.
- k. "Operating Year" – means January 1 to December 31.
- l. "Operations Manager" means the Contractor's representative responsible for day-to-day operation and maintenance on the State owned line who will be the contact for the Bureau of Rail and Transit personnel.
- m. "OTM" – means Other Track Materials including, but not limited to joint bars, bolts, tie plates, spikes and rail anchors.
- n. "Service" - means revenue freight trains carrying goods or returning from delivering goods on behalf of shippers and receivers on the Line.
- o. "State" - means the State of New Hampshire, through the Department of Transportation
- p. "STB" means the Surface Transportation Board.

Contractor Initials

Date 4/17/13

- q. "Subcontractor" – means an individual, partnership, firm, corporation, or any combination thereof, or joint venture, to whom the Contractor sublets any part of this Agreement.
- r. "Rail facility and rail facilities" collectively means the track, bridges, signals, switches, structures, buildings, and related railroad transportation property located on the one or more segments over which service is to be provided.
- s. "Users Fee" – means fee to be paid by the Contractor to State for the use of the Line to provide the Services, as more particularly defined in Section 4.3.1.

1.2. EFFECTIVE DATE/COMPLETION OF SERVICES.

1.2.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

1.2.2 Any Service performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor.

1.2.3 After the Completion Date the parties shall be relieved of all obligations hereunder, except the Contractor shall terminate its operations, relinquish the property, and file documents for discontinuance of service with the Surface Transportation Board and submit the final User Fee payment, a Final Report in the format of monthly reports described in Exhibit A and the Contractor's continuing duty to maintain financial records per Section 4.5 paragraph 4.5.1.

1.3. RENEWAL OF AGREEMENT.

1.3.1 The Contractor shall notify the State by certified mail no later than six months prior to the Completion Date that the Contractor wishes to enter into renegotiations for a new agreement for an additional seven (7) year period beginning January 1, 2016. If the Contractor and the State cannot agree upon a new Operating Agreement by October 1, 2015, or the State is not satisfied with the Contractor's level of service during the term of this Agreement the State may at that time solicit new Requests for Proposals to operate the Line and have no further obligations for renewal of this Agreement with the Contractor.

1.4. Contractor's Representation and Warranties.

1.4.1 The Contractor represents and warrants the following:

- a. The Contractor is a corporation duly organized, validly registered with the Secretary of State, and in good standing under the laws of the State, and is duly qualified to do business in each jurisdiction where its business or the ownership of its property requires such qualification;

Contractor Initials
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- b. The Contractor has the full power and authority to enter into this Agreement and to carry out the functions, which it has undertaken in this Agreement;
- c. All corporate and other proceedings required to be taken by or on the part of the Contractor to authorize it to enter into this Agreement and perform the Service have been duly taken; and
- d. The execution of this Agreement and the operation of the Service will not violate any statute, rule, regulations, order, writ, injunction or decree of any court, administrative agency or governmental body.
- e. The Contractor's Representative is"
 - Vice President--Transportation John W. Schultz
 - Springfield Terminal Railway Company
 - 1700 Iron Horse Park
 - North Billerica, MA 01862
 - (978) 663-1197
- f. The Contractor's Operation Manager is:
 - Vice President--Transportation John W. Schultz
 - Springfield Terminal Railway Company
 - 1700 Iron Horse Park
 - North Billerica, MA 01862
 - (978) 663-1197

1.5. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

1.5.1 In connection with the performance of the Service, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities with appropriate jurisdiction which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

1.5.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

1.5.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

Contractor Initials JWC
 Date 9/17/13

1.6. PERSONNEL.

1.6.1 The Contractor shall at its own expense provide all personnel necessary to perform the Service. The Contractor warrants that all personnel engaged in the Service shall be qualified to perform the Service, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

1.6.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Service to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

1.6.3 The Contracting Officer or his or her successor shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision in his/her reasonable discretion shall be final for the State.

1.7. EVENT OF DEFAULT/REMEDIES.

1.7.1. Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

1.7.1.1. failure to perform the Service satisfactorily or on schedule as reasonably determined by the State.

1.7.1.2. failure to submit any report required hereunder;

1.7.1.3. failure of the Contractor to maintain the records required hereunder, or failure to permit access thereof; and/or

1.7.1.4. failure to perform any other covenant, term or condition of this Agreement.

1.7.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

1.7.2.1. give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, the State may terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

1.7.2.2. treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

Contractor Initials REC
Date 4/17/13

1.8. TERMINATION.

1.8.1 In the event of an early termination of this Agreement for any reason, the Contractor shall comply with Section 1.2.3 and deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") containing all information required by the various reporting provisions of the Agreement, from the date of the last such reports through and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

1.9. CONTRACTOR'S RELATION TO THE STATE.

1.9.1. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

1.10. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

1.10.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the Contracting Officer, which shall not be unreasonably withheld. None of the Service shall be subcontracted by the Contractor without the prior written consent of the State, which shall not be unreasonably withheld.

1.11. INDEMNIFICATION.

1.11.1 The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in Section 1.11.1 shall survive the termination of this Agreement.

1.12. INSURANCE.

1.12.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

1.12.1.1 Railroad Liability and Contractual Liability Insurance shall be purchased with the State named as co-insured in the following amounts

- a. one hundred million dollars (\$100,000,000.00) for normal freight service
- b. twenty five million dollars (\$25,000,000.00) if hazardous materials are shipped each occurrence, with a deductible of three million dollars (\$3,000,000.00) maximum.

Contractor Initials
Date 4/17/15

1.12.2 The policies described in subparagraph 1.12.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

1.12.3 The Contractor shall furnish to the Contracting Officer, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer, or his or her successor, no less than ten (10) days prior written notice of cancellation of the policy. Provided further that Contractor shall be obligated to notify the Contracting Officer within ten (10) days of any modification of the policy.

1.12.4 Within ten (10) days prior to the start of operation and annually thereafter, the Contractor shall provide the Contracting Officer with a certificate evidencing the continual existence of required insurances.

1.13. WAIVER OF BREACH

1.13.1 No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

1.14. NOTICE.

1.14.1 Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given above.

1.15. AMENDMENT.

1.15.1 This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

1.16. CONSTRUCTION OF AGREEMENT AND TERMS.

1.16.1 This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

Contractor Initials ZUC
Date 4/17/13

1.17. THIRD PARTIES.

1.17.1 The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

1.18. HEADINGS.

1.18.1 The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

1.19. SEVERABILITY.

1.19.1 In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

1.20. ENTIRE AGREEMENT.

1.20.1 This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

ARTICLE II - PHYSICAL DESCRIPTION

2.1. Physical Description. The Line consists of the State-owned portion of the Hillsboro Branch railroad line as specifically described as follows:

Being all the property of every kind and description, real, personal and mixed that was acquired by the State of New Hampshire from the Boston and Maine Corporation by a Release Deed recorded at the Hillsborough County Registry of Deeds on January 17, 1989, Book 5080, Pages 1086 through 1103 and from a Bill of Sale dated June 29, 1989, and said demised property being located in the Towns of Wilton, Lyndeborough, Greenfield, Hancock and Bennington, NH, County of Hillsborough; including all real property, rail facilities on, within and appurtenant to the line formerly owned by the Boston and Maine Corporation located between MP 16.36 also known as Engineering Station 12+00 as shown on Valuation Map V18/1 in Wilton to Engineering Station 573+90.3 as shown on Valuation Map V18/11 in Greenfield; thence between Engineering Station 1376+56 as shown on Valuation Map V14/1 in Greenfield to Engineering Station 1659+54 as shown on Valuation Map V14/6 in Hancock; thence between Engineering Station 1335+06.5 as shown on Valuation Map V34/11 in Hancock to MP 62.00, also known as Engineering Station 1197+06 as shown on Valuation Map V34/9 in Bennington, on file in the records of the New Hampshire Department of Transportation's Bureau of Rail & Transit.

Contractor Initials *RC*
Date 4/17/13

2.2 All rail facilities remain the property of the State which reserves to itself the right to grant further easements, contracts, leases, and other rights therein which do not, in the reasonable judgment of the State, unreasonably interfere with the performance of the Service by the Contractor. The State reserves to itself all rents, fees and revenues derived from such grants. Provided, however, that Contractor shall not be responsible for performing any physical alterations to the Line to accommodate such uses and Contractor shall not be responsible for the cost of repairing any damage to the Line resulting from such third party use.

2.3 The Contractor shall make no alterations to the State's property, both real and personal, or construct any building or make other improvements on the State's property beyond normal maintenance without the prior written consent of the State. All alterations, changes, and improvements built, constructed, or placed on the State's property by the Contractor, shall unless otherwise provided by written agreement between the State and the Contractor, be the property of the State and remain on the State's property at the expiration or sooner termination of this Agreement. Salvageable materials generated, as a part of normal maintenance shall become the property of the Contractor.

2.4 The State may provide the Contractor with State-owned railroad equipment under the jurisdiction of the Bureau of Rail and Transit, which it may declare available to the Contractor. Said equipment shall be used solely for the provision of Service under this Agreement and shall be insured by the Contractor to the State's reasonable satisfaction.

2.5 The Contractor agrees that all rail and OTM currently located on the State railroad property and similar materials that may be provided to the Contractor by the State in the future shall only be used on the State's railroad line.

2.6 Except where otherwise provided by shippers, the Contractor agrees to provide cars, locomotives and all other things as necessary to afford the degree and quality of service reasonably requested by its shippers on the Line.

ARTICLE III - OPERATIONS

3.1 SERVICE AREAS:

3.1.1 The Contractor shall, between the Commencement Date and the Completion Date, manage and operate the Service in the active service area from MP 16.36 in Wilton to MP 19.50 in Lyndeborough, said active service area being a portion of the Line described in Article 2.1. The Contractor shall be solely responsible for all phases and requirements of its operation, including, but not limited to, dispatching of trains, assignment of power and cars, scheduling, workforce, equipment, advertising, and marketing. The Contractor may manage and operate Service in the inactive service area from MP 19.50 in Lyndeborough to MP 62.00 in Bennington should new business warrant Service, said inactive service area being a portion of the Line described in Article 2.1.

3.1.2 The Contractor will have until the Completion Date to negotiate mutually acceptable rates and terms of service with shippers and commence Service. Upon

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commencement of Service the Contractor shall provide a minimum of 60 days of Service during that and subsequent operating years.

3.1.3 Notwithstanding any other provisions of this Agreement, the Contractor agrees to allow provision of temporary Service by others in the event that the Contracting Officer reasonably determines that the Contractor is unable to provide Service for reasons other than inability to reach agreement with shippers and/or the Contracting Officer regarding rates and terms of service on the Line. Notice of Service by others must be given to the Contractor in writing and such temporary Service shall cease when Contractor has shown to the reasonable satisfaction of the Contracting Officer that Contractor has regained the ability to provide the Service.

3.1.4 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws. Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date, the Contractor shall not hire, and it shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services, to hire, any person who is a State employee or official, who is materially involved in the procurement, administration, or performance of this Agreement. This provision shall survive termination of this Agreement.

3.1.5 The State shall provide, and the Contractor shall conform to the State's "Guidelines Governing the Operation of On-Track Equipment on State-owned Railroad Lines," and shall incorporate these Guidelines into its current Time Table for the Line.

3.1.6 Any derailment must be immediately reported to the NHDOT and service resumed within 48 hours.

3.2 MAINTENANCE.

3.2.1 EQUIPMENT - The Contractor shall be responsible for proper upkeep and maintenance of all equipment it uses, either supplied by the State or the Contractor, and shall insure that equipment is in compliance with all current applicable FRA regulations. State equipment shall be returned to the State in as good condition as when received except for ordinary wear and tear.

3.2.2 TRACK - The Contractor shall be responsible for the proper upkeep and maintenance of track facilities in the areas over which it provides Service. Said upkeep and maintenance shall include but not be limited to:

- a. Surface and alignment
- b. Brush and vegetation control (all brush to be chipped)
- c. Drainage and ditches
- d. All operating signals to be kept in good operating condition
- e. Crossing and switches to be kept in good operating condition. The Contractor shall provide a flagman during the passage of trains for the protection of any crossing protected by signals where the signal is not operating for any reason.

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f. Snow removal and winter maintenance when needed for service.

3.2.2.1 The Contractor shall be responsible to perform all work and routine maintenance necessary to maintain the active service area from MP 16.36 in Wilton to MP 19.50 in Lyndeborough at FRA Class 2 Track Safety Standards and all other remaining track from MP 19.50 in Lyndeborough to MP 62 in Bennington shall be maintained at FRA Class 1 Track Safety Standards and in any event shall expend no less than twenty (20%) percent of Annual Gross Operating Revenue on actual track maintenance exclusive of inspections, and shall include a report of maintenance expenses on a form and according to a schedule to be specified by the State. (See EXHIBIT A). The Contractor's performance shall satisfy all obligations required on the owner of a railroad, set forth in Part 213 of the FRA Track Safety Standards (49 CFR 213).

3.2.2.2 The Contractor shall obtain the State's permission regarding any work performed on the Line excluding the routine maintenance listed above. The State shall have no responsibility to pay for any non-routine maintenance work performed on the Line by the Contractor that did not have the State's authorization prior to the work being performed.

3.2.3 STRUCTURES (BRIDGES & CULVERTS) – Subject to the cost limitation set forth in Section 3.2.4, the Contractor shall be responsible for maintaining structures and shall make needed repairs necessary to keep structures safe for their intended use in providing the Service. Said maintenance shall include but not be limited to the cleaning and removal of debris, lubrication of bearing surfaces, scour and erosion protection.

3.2.3.1 The Contractor shall comply with all requirements of 49 CFR, Part 237 per the State's Bridge Management Program as for the Hillsboro Branch, including providing bridge ratings, weight limits and inspections if the State is unable to perform these services.

3.2.4 In the event a Major Maintenance Expenditure is required the Contractor shall assist in all necessary repairs, but be limited in its direct financial contribution to five thousand (\$5000.00) dollars per operating year in the aggregate. However, the Contractor waives any claims to damages for any delays in repairing or reopening the line after such an occurrence and the State reserves to itself the decision whether, when and how such repairs and reopening will be done, in its reasonable discretion. Provided further that priority shall be given to Major Maintenance Expenditures in the active service area or other areas on the Line in which the Contractor provides the Service.

3.3 INSPECTION.

3.3.1 The Contractor shall patrol the active service area and formally inspect the track as per FRA Track Safety Standards subpart F (49 CFR 213.233) and submit an inspection report in a timely manner but no more than one (1) month after each inspection. Should any defects be found, the Contractor shall take the appropriate remedial action and notify the Contracting Officer in writing of said remedial action. The Contractor shall patrol the inactive service area at

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least six (6) times per year with at least six (6) weeks between patrols and submit a patrol report within one (1) month after each patrol. Should problems be found, the Contractor shall notify the Contracting Officer in writing of the problems, which shall be addressed pursuant to Section 3.2.

3.3.2 The Contracting Officer has the right to monitor the Contractor to ensure that the Contractor complies with the conditions of this Agreement. The Contracting Officer shall be granted full access to the operations and shall have the authority to direct the Contractor through its General Manager or his designee to remedy deficiencies as per FRA Class 2 Track Safety Standards between MP 16.36 in Wilton to MP 19.50 in Lyndeborough, and FRA Class 1 Track Safety Standards between MP 19.50 in Lyndeborough to MP 62.00 in Bennington under this Agreement.

3.3.3 The State will conduct their own Hy-rail inspections of the Line from time to time as they deem necessary and the Contractor will authorize access dates and times for these inspections.

3.3.4 The Contracting Officer may take any action, including the field inspection of any project site and the inspection of the rail facilities, equipment, and all books and records of Contractor relating to Service on the Line and of any contractor or subcontractor relating to any project or task accomplished under this Agreement.

3.3.4.1 Such inspection shall include, but not be limited to:

- a. Ensure that work complies with the contract specifications.
- b. Verify quantitative measures of materials installed, such as tie counts.
- c. Verify labor and materials charges for contracts providing for payment on an actual cost basis ("force account work").
- d. Verify the quantities of uninstalled State-owned materials and the security of same against damage, theft, or use other than for approved projects.
- e. Provide any other information requested by the Contracting Officer.

3.4 CONSTRUCTION PROJECTS.

3.4.1 The Contracting Officer reserves the right to advertise and let construction rehabilitation projects within the confines of the Line, provided that such projects do not unreasonably interfere with Contractor's ability to provide Service. The construction contractor to whom this work may be awarded shall have the right to perform the work so described in the contract. The Contracting Officer shall have the right to adjust trips not published in the regular railroad schedule to accommodate the construction schedule.

3.4.2 The Contracting Officer will from time to time allow utility projects to be constructed within the railroad right-of-way. Construction contractors for these projects will be required to enter into a license with the State, which will require certain conditions such as liability insurance, and to cooperate with the Contractor in assuring that the work be performed in such a manner that the tracks, operations and appurtenances of the rail facility will be safeguarded. The Contractor may require a flagman and/or railroad inspector at a construction site if it deems it necessary at the expense of the construction contractor.

Contractor Initials RUC
Date 4/12/13

3.4.3 The Contractor may be called upon to construct sidings to new shippers on the line. The construction of sidings and appurtenances thereto may be billed to the shipper after the State reviews the proposed plans, including, but not limited to location, alignment, materials, safety appliances, and the State issues its approvals.

3.5 FREIGHT RATES AND TARIFFS – The Contractor shall not be obligated to commence Service on the Line until it has negotiated mutually acceptable rates and terms of service with at least one shipper. Once the Contractor has negotiated such mutually acceptable rates, the Contractor shall submit the agreed upon rates to the State for review. In the event that the State reasonably believes that the agreed upon rates are too low, the State may elect to not approve such rates and mediate with the Contractor and shipper(s) regarding higher rates. In the event that the State reasonably believes that the agreed upon rates are too high, the State may elect to not approve such rates and mediate with the Contractor and shipper(s) regarding lower rates. Notwithstanding the foregoing, in the event that the State and the Contractor cannot agree on appropriate rates to shippers, Contractor shall have the option to decline to provide the Service to that shipper.

3.6 FORCE MAJEURE - The parties hereto will be excused from performance of any of their respective obligations hereunder occasioned by any event beyond their respective control, including, without limitation, any action of any federal, state or local agency or instrumentality; by government authorities including compliance with environmental quality, energy conservation and occupational safety requirements adopted or effected after the date of this Agreement; by acts of God; by strikes or other labor trouble; by explosions, fires, or vandalism until such events are remedied.

ARTICLE IV - USER FEE PAYMENTS, ACCOUNTING AND AUDITS

4.1 PAYMENTS AND REPORTING

The Contractor shall make User Fee payments and submit reports required under this article directly to the State of New Hampshire, Department of Transportation, Bureau of Rail and Transit.

4.2 SCHEDULE OF PAYMENTS AND REPORTS

Payments shall be paid monthly, based upon the level of operation, as explained below. Payments shall be made no later than sixty (60) days after the end of each calendar month that the revenue producing carload is moved and will include a report of freight traffic on a form and according to a schedule to be specified by the State. (See EXHIBIT A)

4.3 USER FEE PAYMENT:

4.3.1 The Contractor shall pay five (5%) percent of Monthly Gross Operating Revenue as a Users Fee to the State, payable to: "Treasurer, State of New Hampshire".

Contractor Initials *MC*
Date 4/17/13

4.3.2 The Contractor may, where directed in writing by the Contracting Officer, deduct from payments the cost of specific expenditures including but not limited to major maintenance projects in track work or structure repair.

4.4 LATE PAYMENT.

Should any payment be received more than five (5) days after the due date, the State shall be entitled to a five (5%) percent late charge on that month's users fee.

4.5 ACCOUNTING AND AUDITS.

4.5.1 The Contracting Officer shall have access, during regular working hours, for the purpose of audit and examination, to any books, documents, papers, and records of the Contractor which may be related or pertinent to this Agreement during the period of this Agreement and for a period of five (5) years after the termination of this Agreement. The Contractor shall impose this requirement of each of its subcontractors.

4.5.2 If, as a result of any audit, the Contracting Officer determines that the amount paid to the State is less than the amount owed, the Contractor shall pay the difference to State within thirty (30) days of the determination.

4.5.3 If, as a result of any audit, the Contracting Officer determines that the amount paid to the State is more than the amount owed, State will make repayment or credit the Contractor accordingly, so far as appropriations allow, the overpayment to the State.

4.5.4 The Contractor shall be responsible for collecting revenues and for delivering monthly traffic reports, monthly revenue reports, quarterly maintenance cost reports, and quarterly marketing reports on forms and according to a schedule to be specified by the State. (See EXHIBIT A)

ARTICLE V - MARKETING EFFORT

5.1 The Contractor will make every effort to market the line in order to make it profitable and to maintain good business and working relationships with local businesses, State and local government officials, employees, and other railroads, and will report on the marketing effort on a form and according to a schedule to be specified by the State. (See EXHIBIT A)

ARTICLE VI - OTHER OPERATORS

6.1 In all of its operations and use of the property indicated herein, the Contractor will cooperate with other potential operators in the use of rail facilities. Provided, however, that all other potential operators shall be required to enter into a mutually acceptable agreement with Contractor regarding the terms and conditions relating to the use of rail facilities, including, without limitation, commercially reasonable terms and conditions relating to liability protection for Contractor and compensation due to Contractor relating to the use of the rail facilities. Notwithstanding the foregoing, at all times Contractor provision of the Service shall have priority over all other users and Contractor shall retain dispatching control of the Line. Any

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compensation earned by Contractor arising from other potential operators of the rail facilities shall be included in Contactor's Monthly Gross Operating Revenue.

ARTICLE VII - TERMINATION OF AGREEMENT

7.1 The parties will be excused from the performance of any of their obligation under this Agreement if performance becomes impossible due to any event beyond their control, including acts of God, explosions, fires and vandalism.

7.2 If at any time after the commencement of Service pursuant to Sections 3.1.2 and 3.5, the Contractor operates the Service fewer than sixty (60) days during that or subsequent Operating Years, this Agreement may be terminated and the parties shall be subject to Article I, Section 1.2.3.

IN WITNESS WHEREOF, we have hereunto set our hands on the 17th day of April, 2013

SPRINGFIELD TERMINAL RAILWAY CO.

BY: [Signature]
Name Rob (William) Title Sr VP

Commonwealth of Massachusetts

THE STATE OF NEW HAMPSHIRE
COUNTY OF Middlesex

On this 17th day of April, 2013, before me, Pamela Hitchcock the undersigned officer, personally appeared Robert William Ford known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he has executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
NOTARY PUBLIC



THE STATE OF NEW HAMPSHIRE

BY: [Signature]
Christopher D. Clement, Sr.
Commissioner

THE STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

Contractor Initials [Signature]
Date 4/17/13

On this 17th day of April, 2013, before me, DAWN M. DOSSETT the undersigned officer, personally appeared Christopher D. Clement, Sr., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he has executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



NOTARY PUBLIC

DAWN M. DOSSETT
Notary Public-New Hampshire
My Commission Expires Sept. 28, 2016

This is to certify that the Operating Agreement shown above has been reviewed by this office, and is approved as to form and execution on April 17, 2013.

OFFICE OF ATTORNEY GENERAL

BY: 
Assistant Attorney General

APPROVED by Governor and Executive Council on _____, 20 __, ITEM # _____.

ATTEST: _____
Secretary of State

Contractor Initials CC
Date 4/17/13

EXHIBIT A
SPRINGFIELD TERMINAL RAILWAY COMPANY: STATE-OWNED HILLSBORO BRANCH
REPORT AND PAYMENT DUE DATES

JANUARY	FEBRUARY	MARCH	APRIL
1st - OCTOBER PAYMENT & REVENUE REPORT	1st - NOVEMBER PAYMENT & REVENUE REPORT	1st - DECEMBER PAYMENT & REVENUE REPORT	1st - JANUARY PAYMENT & REVENUE REPORT
30th - OCTOBER - DECEMBER MARKETING REPORT	28th - OCTOBER - DECEMBER MAINTENANCE COST REPORT		30th - JANUARY - MARCH MARKETING REPORT
30th - DECEMBER TRAFFIC REPORT	28th - JANUARY TRAFFIC REPORT	30th - FEBRUARY TRAFFIC REPORT	30th - MARCH TRAFFIC REPORT
MAY	JUNE	JULY	AUGUST
1st - FEBRUARY PAYMENT & REVENUE REPORT	1st - MARCH PAYMENT & REVENUE REPORT	1st - APRIL PAYMENT & REVENUE REPORT	1st - MAY PAYMENT & REVENUE REPORT
30th - JANUARY - MARCH MAINTENANCE COST REPORT		30th - APRIL - JUNE MARKETING REPORT	30th - APRIL - JUNE MAINTENANCE COST REPORT
30th - APRIL TRAFFIC REPORT	30th - MAY TRAFFIC REPORT	30th - JUNE TRAFFIC REPORT	30th - JULY TRAFFIC REPORT
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
1st - JUNE PAYMENT & REVENUE REPORT	1st - JULY PAYMENT & REVENUE REPORT	1st - AUGUST PAYMENT & REVENUE REPORT	1st - SEPTEMBER PAYMENT & REVENUE REPORT
	30th - JULY - SEPTEMBER MARKETING REPORT	30th - JULY - SEPTEMBER - MAINTENANCE COST REPORT	
30th - AUGUST TRAFFIC REPORT	30th - SEPTEMBER TRAFFIC REPORT	30th - OCTOBER TRAFFIC REPORT	30th - NOVEMBER TRAFFIC REPORT
Traffic Report due 30 days after end of month cars moved.			
Payment & Revenue report 60 days.			

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SPRINGFIELD TERMINAL RAILWAY CO. a(n) Vermont corporation, is authorized to transact business in New Hampshire and qualified on August 11, 2000. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 12th day of March, A.D. 2013

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

SPRINGFIELD TERMINAL RAILWAY COMPANY

Officer's Certificate

I, Eric H. Lawler, being the duly elected and presently serving Treasurer of the Springfield Terminal Railway Company (the "Corporation") do hereby certify that the following vote was adopted by the Board of Directors of the Corporation at a meeting held on November 15, 2012:

VOTED: That the Corporation negotiate and, if appropriate, enter into a commercially reasonable Operating Agreement with the State of New Hampshire, Department of Transportation ("NHDOT") for the operation of rail service on the so-called Hillsborough Branch owned by NHDOT.

VOTED: That Robert B. Culliford, Senior Vice President and an officer of the Corporation, is hereby authorized, empowered and directed, on behalf of and in the name of the Corporation, to execute, seal, and deliver such agreement, certificates and other instruments as he may deem necessary, appropriate or convenient to effect the transaction contemplated by the foregoing vote and that all actions taken in furtherance of said transactions prior to the date hereof are hereby ratified, approved, confirmed and adopted in all respects.

I further certify that such vote has not been altered, amended or rescinded and remains in full force and effect as of date hereof.

WITNESS my hand and the seal of the Corporation this 17th day of April, 2013.



Eric H. Lawler
Treasurer



Client#: 3687

PANAMSYS

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/12/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER William Gallagher Assoc. (MA) Insurance Brokers, Inc. 470 Atlantic Avenue Boston, MA 02210	CONTACT NAME:		
	PHONE (A/C, No, Ext): 617 261-6700	FAX (A/C, No): 617 261-6720	
INSURED Pan Am Systems, Inc. etal** includes Springfield Terminal Railway Co 1700 Iron Horse Park North Billerica, MA 01862	E-MAIL ADDRESS:		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A:	Lexington Insurance Company	19437
	INSURER B:	Starr Surplus Lines & Gemini In	
	INSURER C:	Argo/XL/Catlin/AWAC	
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR: \$3,000,000 <input checked="" type="checkbox"/> RETRO: 9/22/01 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		031567345	09/22/2012	09/22/2013	EACH OCCURRENCE \$25,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$incl GENERAL AGGREGATE \$25,000,000 PRODUCTS - COMP/OP AGG \$incl \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		N12QA06150 & N12QA06210	9/22/12	9/22/13	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000 excess of \$primary WC STATUTORY LIMITS OTH-ER
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C	2nd Excess RR Liability		various	9/22/12	9/22/13	\$50,000,000 excess of \$50,000,00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Operating Agreement on State-Owned Portion of the Hillboro Branch Railroad line between State of New Hampshire & Springfield Terminal Railway Co. Certificate holder is an add'l insured per written contract form LX9466 endt #7.

CERTIFICATE HOLDER

State of New Hampshire DOT
Attn: Christopher Morgan
PO Box 483
Concord, NH 03302-0483

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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