



Victoria F. Sheehan  
Commissioner

THE STATE OF NEW HAMPSHIRE  
DEPARTMENT OF TRANSPORTATION



17  
Beaulieu

William Cass, P.E.  
Assistant Commissioner

August 4, 2016  
Bureau of Rail and Transit

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

**REQUESTED ACTION**

Authorize the Department of Transportation to enter into a **retroactive** contract with the St. Lawrence & Atlantic Railroad Company, Auburn, ME (Vendor 166963) for an amount not to exceed \$1,950,000 for track improvements on the St. Lawrence & Atlantic Railroad in Coos County, effective from April 14, 2016 through December 31, 2017. 100% Capital General Funds.

Funding is available as follows:

04-96-96-960030-7548	<u>FY 2017</u>
Coos Rail I	
034-500161 New Construction	\$1,500,000
04-96-96-960030-5105	
Coos County Rail	
034-500161 New Construction	<u>\$ 450,000</u>
	<u>\$1,950,000</u>

**EXPLANATION**

Pursuant to the Chapter 275, Laws of 2015, the State appropriated \$1,950,000 of capital budget funds to support the St. Lawrence & Atlantic Railroad Company rehabilitation project and match equivalent railroad funds. This agreement is **retroactive** to April 14, 2016 to allow certain material costs incurred to be eligible for reimbursement as market conditions at that time facilitated lower prices and greater availability of the rail to be used on this project. An additional benefit was the St. Lawrence & Atlantic Railroad was able to order an additional 3,000 linear feet of rail with the cost savings, allowing an additional 0.3 miles of track rehabilitation to the project within the budget. A total of 7.3 miles in Stark, Milan, Dummer, Gorham and Shelburne will be replaced under this agreement.

This agreement will provide funding for the St. Lawrence & Atlantic Railroad to make improvements to its 23-mile privately-owned short line railroad that runs between North Stratford and Shelburne, NH. Improvements to and rehabilitation of this line will continue to allow rail freight movement of multiple

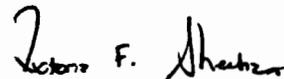
commodities and help provide safer operations and a safe increase in the volume of rail cars on the corridor. Major components of the project include the repair and refurbishment of five (5) bridges in Stark, Milan, Gorham and Shelburne and track refurbishment, including rail replacements with over 76,800 feet of continuous welded rail, ballast work, and line resurfacing, to accommodate industry-standard 286,000-lb. rail cars and increase train speeds. The repairs and improvements will bring the line up to industry standards and allow competitive shipping between New Hampshire, Maine, Vermont and the rest of North America.

The total for this phase of the project is \$3,900,000. In addition to the State contribution of \$1,950,000, the St. Lawrence and Atlantic Railroad will provide matching funds for this phase in the amount of \$1,950,000.

The Department of Transportation will administer these funds as authorized by RSA 228:63 and RSA 228:66.

The Agreement has been approved by the Attorney General as to form and execution, and the Department verified that the necessary funds are available. Copies of the fully executed Agreement are on file at the Secretary of State's Office and the Department of Administrative Service's Office, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Sincerely,

A handwritten signature in black ink that reads "Victoria F. Sheehan". The signature is written in a cursive style with a large initial "V".

Victoria F. Sheehan  
Commissioner

**SPECIAL AGREEMENT**

**THE STATE OF NEW HAMPSHIRE  
ST. LAWRENCE & ATLANTIC RAILROAD COMPANY**

**NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION  
BUREAU OF RAIL & TRANSIT  
PO BOX 483, 7 HAZEN DRIVE  
CONCORD, NH 03302-0483**

Upon Governor & Council approval, this Special Agreement ("Agreement") which is made and entered into between St. Lawrence & Atlantic Railroad Company (the "Grantee") and the State of New Hampshire (the "State") acting through and by its Department of Transportation Bureau of Rail & Transit shall be retroactive to April 14, 2016.

Whereas, the Department of Transportation, Bureau of Rail & Transit, situated at 7 Hazen Drive, Concord NH 03301 (hereinafter referred to as the "NHDOT"), is the agency responsible for matters relating to rail service; and

Whereas, the St. Lawrence & Atlantic Railroad Company, a Delaware corporation (hereinafter the "Grantee"), owns and operates a railroad in and through Coos County, New Hampshire; and

Whereas, the Grantee has agreed to provide the required matching funds by means of cash, labor and materials toward the rehabilitation project; and

Whereas, pursuant to Chapter 275, Laws of 2015, the State appropriated \$1,950,000 of capital budget funds to support the St. Lawrence & Atlantic Railroad Company rehabilitation project and match railroad funds for the rehabilitation of 38,400 feet (7.3 miles) of track between MP 105.4 and 106.0, MP 106.35 and 108.4, 109.4 and 110.00, 111.0 and 114.70, 116.51 and 116.91 and the rehabilitation of 5 bridges at MP 85.6, MP 92.8, MP 106.2, MP 109.0 and MP 111.7 on the St Lawrence & Atlantic Railroad in the Towns of Milan, Dummer, Stark, Shelburne and Gorham, County of Coos, State of New Hampshire; and

Subject to the provisions of Section 18, the parties to this Agreement acknowledge that the NHDOT and the State shall not acquire or gain any interest of ownership or otherwise in any of the Grantee's property, whether personal, real or otherwise.

Now, therefore, in consideration of the premises and the covenants and agreements hereinafter set forth, the NHDOT and the Grantee do hereby contract and agree:

1. AUTHORIZATION OF FUNDS

The NHDOT shall reimburse 50% of net project costs, not to exceed \$1,950,000, for the replacement of rail and rehabilitation of bridges on the St. Lawrence & Atlantic Railroad Company rail line in Milan, Dummer, Stark, Shelburne and Gorham, NH in accordance with State and Federal requirements and the terms of this agreement.

2. PROJECT DESCRIPTION

The project consists of the installation of new continuous welded rail on the main line and rehabilitation of bridges of the St. Lawrence & Atlantic Railroad Company (SL&A) in the Towns of Milan, Dummer, Stark, Shelburne and Gorham, Coos County, New Hampshire, including segments from:

- A. MP 105.4 to MP 106.0, Town of Milan
- B. MP 106.35 to MP 108.4, Town of Milan
- C. MP 109.4 to MP 110.0, Towns of Milan & Dummer
- D. MP 111.0 to MP 114.70, Town of Stark
- E. MP 116.51 to MP 116.91, Town of Stark

Bridges to be rehabilitated include:

- A. Bridge 85.6, Town of Shelburne
- B. Bridge 92.8, Town of Gorham
- C. Bridge 106.2, Town of Milan
- D. Bridge 109.0, Town of Milan
- E. Bridge 111.7, Town of Stark

The work will be performed by or for the Grantee and accepted by the NHDOT for reimbursement with funds provided through the State of New Hampshire and as appropriated through Chapter 275, Laws of 2015, State of New Hampshire.

3. DEFINITIONS

- A. Grantee – St. Lawrence & Atlantic Railroad Company.
- B. Grantee's Representative – The Grantee shall designate a person to coordinate and manage all Grantee responsibilities regarding the development of the Project.
- C. State – State of New Hampshire
- D. NHDOT – New Hampshire Department of Transportation (through the Bureau of Rail & Transit)
- E. Contracting Officer – Commissioner of NHDOT, or the person designated by the NHDOT to coordinate and manage all NHDOT responsibilities regarding the Project
- F. Federal Railroad Administration – Industry Regulations and Procedures, CFR Title 49 parts as applicable.
- G. Scope – The Grantee shall furnish all personnel, facilities, equipment, and other materials and services (except as otherwise specified herein) necessary to perform the approved Project, as set forth in Exhibit A, Narrative, St. Lawrence & Atlantic Railroad / New Hampshire State Capital Fund Project, Exhibit B St. Lawrence & Atlantic Railroad NH Rail Project Material & Labor Cost Estimate and Exhibit B-2 St. Lawrence & Atlantic Railroad NH Rail Project Bridge Detail.
- H. Project Completion Date – December 31, 2017.
- I. Net Project Cost – Eligible project cost less revenue (Project Income, i.e. rail salvage value)
- J. Project Cost – The total estimated cost of the Project is \$3,900,000. State share is 50% of net project costs, not to exceed the \$1,950,000 appropriated by Chapter 275, Laws of 2015 for Coos County Rail Improvements.

4. CONTRIBUTION BY THE RAILROAD

The Grantee shall be responsible for the matching share (50% of net project costs) of all eligible Project Costs consistent with the Project Scope as described in the attached Narrative. Also, the Grantee shall be fully responsible for all Project Costs deemed ineligible for State and NHDOT participation and for all Project Costs that exceed the maximum contribution of NHDOT to the Grantee, as stated above.

- A. The Grantee shall submit, for NHDOT approval, an acceptable line item budget containing an itemization of estimated Project Costs and a work plan and schedule describing how and when the Grantee intends to prosecute the Project work.
- B. The Grantee shall not perform or authorize any services or work under this agreement without first receiving approval in writing from the NHDOT.
- C. The Grantee shall develop and prepare all necessary design plans, specifications, estimates and contract documents for the Project. The Grantee shall make all such plans, specifications, estimates and contract documents available to the NHDOT for review upon request.
- D. The Grantee shall obtain all permits and licenses necessary to construct the Project. Also, the Grantee shall be solely responsible to develop and prepare all environmental studies and reports necessary for the Project.
- E. The Grantee shall certify to NHDOT that it holds title and interest to the property upon which the Project will be constructed or has obtained written authorization in the form of easements or licenses from the owners of the property upon which all or a portion of the Project will be constructed. Such title or easement or license shall remain with the Grantee for the term described below in Section 18, unless assignment or release of the lien specified in Section 18 is approved in writing from NHDOT.

5. REPORTING

The Grantee shall submit a detailed narrative report with each invoice detailing work and improvements including project limits by Mile Post (MP).

6. REIMBURSEMENT PROCEDURES

The Grantee shall submit an invoice to the NHDOT no less than quarterly for all claims for reimbursement of eligible Project costs incurred pursuant to the terms of this Agreement. Costs are incurred whenever work is performed, goods and services are received or a cash disbursement is made. All claims submitted for reimbursement within 60 days shall be submitted on the Grantee's billhead, reference NH Capital Budget funds, and shall contain the following:

- A. An itemized account of expenditures consistent with the approved line item budget required in Section 4.A. of this Agreement.
- B. Backup documentation and proof of payment to suppliers, tradesmen, materialmen and contractors shall be submitted with each invoice.
- C. A cumulative total of all costs incurred by budget line item; and
- D. A certification (signature on invoice or accompanying letter) from the General Manager, or designee, of the Grantee that all amounts so claimed for reimbursement are correct, due and not claimed previously and that all work for which such reimbursement is being claimed was performed in accordance with the terms of this Agreement.

7. GENERAL PROVISIONS

- A. Independent Capacity. The Grantee, its employees, agents, representative, consultants or contractors, shall, in performance of the work under this Agreement, act in an independent capacity from and not as officers, employees or agents of the NHDOT.

- B. Access. The Grantee shall permit reasonable access to the Project by authorized representatives of the NHDOT and Federal Railroad Administration.
- C. Inspection. An inspector from the NHDOT may regularly or randomly inspect the work during the rehabilitation project or after its completion for the purpose of insuring compliance with the terms of this Agreement provided, that, for safety reasons, the inspector shall be accompanied by an officer of the Grantee on all such inspections.

8. INDEMNIFICATION.

The Grantee, its successors and assigns, shall indemnify and hold harmless the State, including NHDOT, and its employees, contractors, consultants and agents against any and all claims, demands or actions arising from or related to the Project that are caused by any wrongful act or omission of the Grantee or its employees, officers, contractors, subcontractors, consultants, licensees and invitees including any claims, demands or actions related to injury, death, or property loss, including reasonable attorney's fees. This provision shall survive the project completion or early termination of this Agreement.

9. PROJECT RECORDS.

The Grantee shall maintain any and all records associated with the Project and shall make said records available to authorized representatives of the NHDOT for audit purposes. The Grantee shall maintain said records for a period of five (5) years after completion of the Project.

- A. Project Accounts – Grantee agrees to establish and maintain for the Project either a separate set of accounts or accounts within the framework of an established accounting system.
- B. Documentation of Project Cost and Project Income – All costs charged to the Project, including any approved services contributed by the Grantee or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The Grantee agrees to maintain accurate records of all Program Income derived from Project implementation.
- C. Checks, Orders, and Vouchers – The Grantee agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible, and, to the extent feasible, kept separate from documents not pertaining to the Project.

10. THIRD PARTIES.

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

11. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination. The State shall not be required to transfer funds from any other account to the Account established for this project in the event funds are unavailable.

12. INTERPRETATION AND PERFORMANCE.

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.

13. ENTIRE AGREEMENT.

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.

14. TERMS.

All of the provisions set forth in this Agreement, excepting Sections 8, 9 and 18, shall be satisfactorily completed by December 31, 2017. The December 31, 2017 deadline may be changed with written concurrence between NHDOT and Grantee.

15. NOTICE.

All notices required pursuant to this Agreement shall be forwarded by regular mail to the following:

To NHDOT:

NH Department of Transportation  
Bureau of Rail & Transit  
PO Box 483  
Concord, NH 03302-0483

Attention: Louis A. Barker  
Railroad Planner

To the Grantee:

St. Lawrence & Atlantic Railroad  
225 First Flight Drive, Suite 201  
Auburn, ME 04210-9123

Attention: Mr. Rick McClellan  
General Manager

16. SEVERABILITY.

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.

17. PROJECT COMPLETION, AUDIT, AND CLOSEOUT

- A. Project Completion – Within 90 days of the Project Completion date or termination by the NHDOT, the Grantee will submit a final certification or summary of Project expenses.
- B. Audits – Grantee agrees to assist the State in audits, if so required, in accordance and with applicable CFRs.
- C. Project Closeout – Project closeout occurs when all required Project work and all administrative procedures required have been completed, and when the State notifies the Grantee and final payment has been forwarded to the Grantee. Project closeout shall not invalidate any continuing obligations imposed on the Grantee by this Agreement.

18. CONTINUATION OF SERVICE, MAINTENANCE AND LIEN

The Grantee agrees to use and maintain the improvements constructed as part of this Project for the purpose of moving freight for a period of ten (10) years after completion of the Project, pursuant to RSA 228:66, II, at an annual tonnage level 80% of tonnage levels for the 3 years preceding the agreement. The NHDOT reserves the right to recover from the Grantee the fair market value of all materials incorporated into the Project in the event the Grantee fails to use improvements for the purpose of moving freight for said period. The NHDOT right, as described above in this Section 18, shall be limited to the actual current fair market value of the reimbursement paid by the NHDOT to the Grantee under this Agreement. The Grantee agrees to notify NHDOT immediately if the rail line is withdrawn from service.

The Grantee shall develop and implement, or cause to be developed and implemented, a maintenance plan acceptable to NHDOT which assures an appropriate level of maintenance of the improvements constructed under this Agreement pursuant to the required Class 2 FRA Track Safety Standards.

Pursuant to RSA 228:66, V, the NHDOT and the Grantee agree that a lien on the improved property shall be created in favor of the State of New Hampshire in an amount which equals all, or the pro rata share, of the improvements made. The lien shall expire 10 years from the date the improvements are completed; provided that the lien shall be recorded in the registry of deeds of the county or counties in which the improved property is situated and shall not supersede any lien created by a mortgage affecting such property. If the line upon which the improvements have been made is operated and maintained for normal use for a period of 10 years subsequent to the completion of the improvements, the lien shall expire, and the State shall record a suitable release of the lien. The NHDOT will provide the Grantee documentation on filing and release of lien in a timely manner.

19. TERMINATION AND DEFAULT

The NHDOT reserves the right to terminate the payment provisions of this Agreement in the event of any substantial default by the Grantee. Substantial default shall include but not be limited to:

- A. Misrepresentation or falsification of any claims submitted by the Grantee for reimbursement;
- B. Breach of any material provisions of this Agreement; and,
- C. Failure to complete the Project within the Terms as set forth in this Agreement.

In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Grantee shall deliver to the Contracting Officer, not later than fifteen (15) calendar days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, up to and including the date of termination.

IN WITNESS WHEREOF the representatives of the State and the Grantee have hereunto set their hands and have executed this Agreement in triplicate.

St. Lawrence & Atlantic Railroad Company ("Grantee")

Date: 7.07.2016 By: [Signature]  
(Signature)  
PRESIDENT  
(Title)

Grantee  
County of Quebec

On this the 7 day of July, 2016, before me, Fatoumata Lo,  
the undersigned officer, personally appeared Louis Gravel, known to me  
(or satisfactorily proven) to be the person whose name is subscribed to the within instrument  
and acknowledged that (s)he has executed the same for the purposes therein contained.

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

Fatoumata Lo  
Notary Public/Justice of the Peace



State of New Hampshire, Department of Transportation

Date: 8/10/16 By: [Signature]  
(Signature)  
Director  
(Title)

The foregoing Agreement, having been reviewed by this office, is approved as to form and execution this 12 day of August, 2016.

THE OFFICE OF THE ATTORNEY GENERAL

By: [Signature]  
Attorney General

The foregoing Agreement has been approved by the NH Governor & Executive Council on

\_\_\_\_\_  
(Date) By: \_\_\_\_\_

## ST. LAWRENCE & ATLANTIC RAILROAD COMPANY

### Resolution of the Board of Directors

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#### IT IS RESOLVED THAT:

WHEREAS Louis Gravel, President, is authorized to act for and on behalf of the Company and to perform each and every one of the following acts:

1. To collect and receive any rent, interest and capital, rent in arrears or other revenues due and accruing due, as well as any repayments in principal and interest offered or exigible and generally any sums of money that are or may be owing to the Company.
2. To demand, collect and receive any capital sums and any revenues owing to the Company by anyone, for any reason whatsoever and of any nature whatsoever, in principal and interest, and for the sums so received or paid to give or acknowledge good and valuable discharge.
3. To grant any legal or conventional subrogations with or without security, and any pure discharges, with or without consideration, in respect of any rights, hypothecs, resolute clause, seizures, oppositions and other impediments against any movable or immovable property, the whole with or without consideration, as well as any prior hypothecs or hypothecary priorities in favour of anyone.
4. To accept and sign, for and on behalf of the Company, any cancellation of deeds of sale, leases or other contracts, to give any notice, make any surrender, exercise any taking of possession, and exercise any taking in payment, the whole in accordance with articles 2644 *et. seq.* of the Civil Code of Quebec. To take any immovable property that any debtor may offer to the Company in payment of any sums of money owing to it, in principal, interest and charges, and to discharge any debtor from its debt, under the terms of an obligation, a loan or a sale, duly published or not, with hypothecary discharge from any hypothec registrations so granted to the Company, as well as from a resolute clause.
5. To sell, assign or transfer, for the price and on the terms and conditions most favourable for the Company, any movable and immovable property owned or acquired by the Company, to receive the price in cash or instalments, establish the taking of possession and the terms and conditions thereof, and enter into any other special agreement necessary to protect the interests of the Company, such as a resolute clause and other clauses, to acquire and lease for the Company any immovable or movable property at the most favourable price, and make any exchanges. In addition, the representative may sell an enterprise in accordance with articles 1764 and 1767 *et. seq.* of the Civil Code of Quebec.
6. To grant or accept any real and perpetual servitude, either in favour of or against the immovable property of the Company, at the most favourable price and on the most favourable terms and conditions, and grant any servitudes by destination of proprietor; to make subdivision or resubdivision requests, subdivision cancellation requests, and cadastral number redivision requests, etc.

7. To hear, discuss and balance accounts with the Company's debtors and depositors and, in the event of difficulty or default on the part of the debtors and depositors, to institute any actions, obtain any judgments and cause them to be executed, and negotiate and accept any out-of-court settlements deemed to be in the best interests of the Company.
8. To become party to any documents whatsoever and accept any assignments or transfers and assignments of debt that may be made in respect of the Company, but for purposes of service only.
9. For all of the above purposes, to enter into and sign any necessary notarized or private documents and give any notaries or attorneys the authorization or mandate to represent the Company for all legal purposes in the event of a dispute, and for all judicial purposes as either plaintiff or defendant, and to agree to any guilty plea, if necessary.
10. To cause to be drawn up and to sign any proceedings in the event of expropriation of the Company's property, hire experts, and obtain a judgment or any favourable settlement in connection therewith.
11. To buy or acquire at any auction, public or not, and to sign any documents, proceedings and contracts in connection therewith.
12. To sign and execute any security documents and any guarantees in respect of any court proceedings and in any transactions in which the Company is involved.
13. To submit a matter to arbitration on behalf of the Company.
14. To sign and countersign the Company's minutes and issue copies of the present resolution under his signature as being a resolution of the Company's board of directors.

IT IS THEREFORE CONFIRMED THAT Louis Gravel is authorized to act for and on behalf of St. Lawrence & Atlantic Railroad Company and sign all relevant documents.

DATED the 1<sup>st</sup> day of September 2014.



\_\_\_\_\_  
Louis Gravel



\_\_\_\_\_  
Matthew O. Walsh

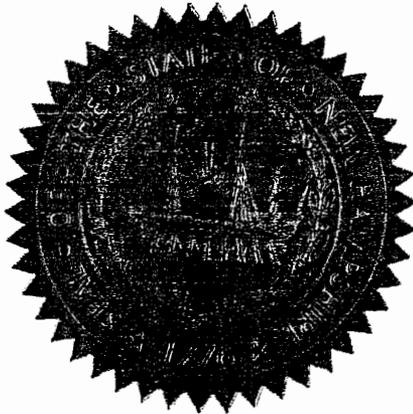


\_\_\_\_\_  
Thomas D. Savage

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 ST. LAWRENCE & ATLANTIC RAILROAD COMPANY doing business in New Hampshire as ST. LAWRENCE & ATLANTIC RAILROAD COMPANY, INC., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on March 16, 1989. 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 21<sup>st</sup> day of April, A.D. 2016

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

ST. LAWRENCE & ATLANTIC RAILROAD COMPANY

Extract of a  
Resolution of the Board of Directors

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IT IS RESOLVED THAT:

WHEREAS Louis Gravel, President, is authorized to act for and on behalf of the Company and to perform each and every one of the following acts:

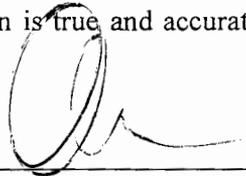
1. To collect and receive any rent, interest and capital, rent in arrears or other revenues due and accruing due, as well as any repayments in principal and interest offered or exigible and generally any sums of money that are or may be owing to the Company.
2. To demand, collect and receive any capital sums and any revenues owing to the Company by anyone, for any reason whatsoever and of any nature whatsoever, in principal and interest, and for the sums so received or paid to give or acknowledge good and valuable discharge.
3. To grant any legal or conventional subrogations with or without security, and any pure discharges, with or without consideration, in respect of any rights, hypothecs, resolute clause, seizures, oppositions and other impediments against any movable or immovable property, the whole with or without consideration, as well as any prior hypothecs or hypothecary priorities in favour of anyone.
4. To accept and sign, for and on behalf of the Company, any cancellation of deeds of sale, leases or other contracts, to give any notice, make any surrender, exercise any taking of possession, and exercise any taking in payment, the whole in accordance with articles 2644 *et. seq.* of the Civil Code of Quebec. To take any immovable property that any debtor may offer to the Company in payment of any sums of money owing to it, in principal, interest and charges, and to discharge any debtor from its debt, under the terms of an obligation, a loan or a sale, duly published or not, with hypothecary discharge from any hypothec registrations so granted to the Company, as well as from a resolute clause.
5. To sell, assign or transfer, for the price and on the terms and conditions most favourable for the Company, any movable and immovable property owned or acquired by the Company, to receive the price in cash or instalments, establish the taking of possession and the terms and conditions thereof, and enter into any other special agreement necessary to protect the interests of the Company, such as a resolute clause and other clauses, to acquire and lease for the Company any immovable or movable property at the most favourable price, and make any exchanges. In addition, the representative may sell an enterprise in accordance with articles 1764 and 1767 *et. seq.* of the Civil Code of Quebec.
6. To grant or accept any real and perpetual servitude, either in favour of or against the immovable property of the Company, at the most favourable price and on the most favourable terms and conditions, and grant any servitudes by destination of proprietor; to make subdivision or resubdivision requests, subdivision cancellation requests, and cadastral number redivision requests, etc.

7. To hear, discuss and balance accounts with the Company's debtors and depositors and, in the event of difficulty or default on the part of the debtors and depositors, to institute any actions, obtain any judgments and cause them to be executed, and negotiate and accept any out-of-court settlements deemed to be in the best interests of the Company.
8. To become party to any documents whatsoever and accept any assignments or transfers and assignments of debt that may be made in respect of the Company, but for purposes of service only.
9. For all of the above purposes, to enter into and sign any necessary notarized or private documents and give any notaries or attorneys the authorization or mandate to represent the Company for all legal purposes in the event of a dispute, and for all judicial purposes as either plaintiff or defendant, and to agree to any guilty plea, if necessary.
10. To cause to be drawn up and to sign any proceedings in the event of expropriation of the Company's property, hire experts, and obtain a judgment or any favourable settlement in connection therewith.
11. To buy or acquire at any auction, public or not, and to sign any documents, proceedings and contracts in connection therewith.
12. To sign and execute any security documents and any guarantees in respect of any court proceedings and in any transactions in which the Company is involved.
13. To submit a matter to arbitration on behalf of the Company.
14. To sign and countersign the Company's minutes and issue copies of the present resolution under his signature as being a resolution of the Company's board of directors.

IT IS THEREFORE CONFIRMED THAT Louis Gravel is authorized to act for and on behalf of St. Lawrence & Atlantic Railroad Company and sign all relevant documents.

I, Manon Beauchemin, assistant secretary of St. Lawrence & Atlantic Railroad Inc. hereby certify that said vote has not been amended or repealed and remains in full force and effect as of July 7, 2016 and that Louis Gravel is duly elected President of this Corporation.

I hereby certify and affirm that the information contained herein is true and accurate to the best of my knowledge.



Manon Beauchemin

Date: 2016-07-18