



Paul R. LePage
GOVERNOR

STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
16 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0016

David Bernhardt
COMMISSIONER

September 6, 2018

The Honorable Elaine L. Chao
Secretary
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: ASSURANCE OF MATCHING FUNDS

Dear Secretary Chao,

This letter serves as evidence of assurance by the State of Maine Department of Transportation (MaineDOT) that matching funds for the CRISI project "*Pan Am Railways Mainline Upgrades and Rail Crossing Safety Improvements*" submitted by the Maine Department of Transportation are committed and will be provided.

MaineDOT's matching share of the CRISI request is \$568,092 and we are committed to providing these matching funds to the Federal funds requested.

Sincerely,

David Bernhardt
Commissioner



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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) by and between the State of Maine, Department of Transportation (“MDOT”) and the Springfield Terminal Railway Company (“ST”) is made this 27 day of August, 2018.

WHEREAS, MDOT and ST desire to apply for federal funding to perform certain rehabilitation and expansion projects between Waterville, Maine and Royal Junction, Maine to support intermodal and freight rail traffic growth (the “Project”); and

WHEREAS, the work to be done to rehabilitate and expand railroad infrastructure will improve the safety and reliability of rail service in Maine in particular new and increased intermodal and freight rail use;

WHEREAS, the purpose of this MOU is to identify the respective roles and obligations to be undertaken by MDOT and ST when applying for USDOT funding and following any receipt of an award of funding; and

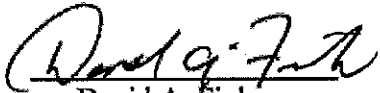
NOW, WHEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree to the following terms and conditions:

1. **Federal Funding**: MDOT shall partner with ST to apply for federal Consolidated Rail Infrastructure & Safety Improvement (“CRISI”) grant funds by the end of calendar year 2018. A scope of the work to be performed will be defined between ST and MDOT prior to application with an expected total cost of \$32- \$35 million for the entire Project. ST commits to contributing fifty percent of the Project’s estimated cost for materials and contracted services in cash, with the remaining contribution to be made in labor and equipment. MDOT commits to providing required environmental work and preliminary engineering required for the grant application as well as the construction oversight and management as required by USDOT.
2. **ST Participation**: ST is willing to contribute a fifty percent match for the Project costs in the form of cash for materials and contracted services as well as an in-kind contribution of labor and equipment up to a maximum value of \$17,500,000 ST shall provide a board resolution indicating its commitment.
3. **MDOT Participation**: MDOT shall utilize the Federal Funds to fund up to \$17,500,000 in Project costs for material, contracted services and labor and equipment.
4. **Salvaged Materials**: The value of all salvaged materials shall be handled as per the USDOT grant agreement requirements.
5. **Funding Agreement**: ST and MDOT shall execute a Funding Agreement that meets USDOT and State requirements for the Project and further agree to meet any reporting

requirements, maintenance requirements and ongoing performance monitoring as required by the grant funding.

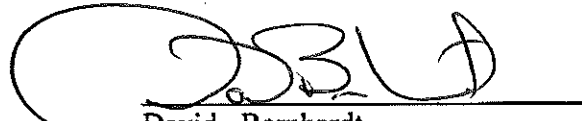
IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding, which is effective as of the date above first written.

**SPRINGFIELD TERMINAL RAILWAY
COMPANY**



David A. Fink
President

**MAINE DEPARTMENT
TRANSPORTATION**



David Bernhardt
Commissioner

SPRINGFIELD TERMINAL RAILWAY COMPANY


Secretary's Certificate

I, Robert B. Culliford, being the duly elected and presently serving Secretary 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 August 16, 2018:

VOTED: That David A. Fink, President of the Corporation, is hereby authorized, empowered and directed, on behalf of and in the name of the Springfield Terminal Railway Company (the "Corporation"), to execute, seal, and deliver a Memorandum of Understanding with the State of Maine, Department of Transportation ("MDOT"), evidencing the funding commitment of the Corporation and MDOT should a Consolidated Rail Infrastructure & Safety Improvement ("CRISI") grant be awarded for a rehabilitation project between Waterville, Maine and Royal Junction, Maine (the "Project"). The Corporation's funding commitment shall be a contribution of a fifty percent match in cash and services to the Project up to a maximum value of \$17,500,000.00. MDOT shall provide required environmental work, application preparation and support work and preliminary engineering for the CRISI grant application, and will utilize the federal funds derived from the CRISI grant to fund fifty percent of Project expenses up to a maximum of \$17,500,000.00.

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 seal of the Corporation this 27th day of August, 2018.


Robert B. Culliford
Secretary