

SETTLEMENT AGREEMENT

**BETWEEN THE
BOSTON AND MAINE CORPORATION,
MAINE CENTRAL RAILROAD
AND THE
STATE OF NEW HAMPSHIRE**

DATED JANUARY 6, 1994

SETTLEMENT AGREEMENT

AGREEMENT made as of this 6th day of January, 1994 by and among the Boston and Maine Corporation, a Delaware Corporation with its principal place of business at Iron Horse Park, North Billerica, Massachusetts 01862 (hereinafter referred to as "B&M"), the Maine Central Railroad Company, a Maine Corporation with its principal place of business at Iron Horse Park, North Billerica, Massachusetts 01862 (hereinafter referred to as "MeC"), and the State of New Hampshire, Department of Transportation, with its usual place of business at John O. Morton Building, P. O. Box 483, Concord, New Hampshire 03301-0483 (hereinafter referred to as the "State").

WITNESSETH:

WHEREAS, B&M and the State are opposing litigants in the following cases in the New Hampshire Superior Court relating to ownership of certain railroad lines known as the Northern Railroad, Hillsboro Branch and Manchester and Lawrence Branch:

- (1) Hillsborough North No. 92-E-102;
- (2) Hillsborough North No. 92-E-142;
- (3) Hillsborough North No. 92-E-207;
- (4) Hillsborough South No. 92-E-034;
- (5) Rockingham No. 92-E-162;
- (6) Merrimack No. 92-E-171; and
- (7) Grafton No. 92-E-051;

WHEREAS, B&M claims fee simple ownership of certain portions of the following named railroad lines, among others: the Ashuelot Branch, the Cheshire Branch, the Northern Railroad, the Hillsboro Branch, the Manchester and Lawrence Branch, the Portsmouth Branch, the White Mountain Branch, the Conway Branch, the Lakeport Branch, the Fort Hill Branch, the Gonic Branch, the Hollis Branch, the Blackmount Branch, the Cocheco Branch, the Concord and Claremont Branch, the Goffstown Branch, the Hopkinton Branch and the Greenville Branch all located in the State of New Hampshire (the "Rights-of-Way");

WHEREAS, the State claims fee simple ownership of certain of these same Rights-of-Way pursuant to their original layouts and pursuant to NH RSA 228:60-a(V);

WHEREAS, the parties are desirous of settling the above-referenced litigation and resolving all issues of title, as between the State and B&M, in and to the Rights-of-Way; and

WHEREAS, B&M's affiliate, MeC, owns in fee simple certain portions of a railroad line known as the Mountain Division and Quebec Junction and desires to convey the non-operating portions of said railroad line which are located within the State of New Hampshire to the State and the State desires to purchase the same from MeC.

NOW THEREFORE, in consideration of the promises, covenants, terms, and conditions contained herein, the parties agree as follows:

1. Railroad Lines Subject to this Agreement. The following railroad lines are subject to this Agreement:

- A. Non-Operating Lines: the non-operating portions of the Ashuelot Branch, the Cheshire Branch, the Northern Railroad, the Mountain Division (hereinafter including Quebec Junction), the Fort Hill Branch, the Gonic Branch and the Lakeport Branch (hereinafter, the "Non-Operating Lines"). All of the Non-Operating Lines are more fully described in Exhibit A, annexed hereto and made a part hereof, and are shown on the Valuation Plans indicated by red outline on said Plans. Duplicate sets of said Plans have been initialled for identification by B&M and by the State, contemporaneously with the execution of this Agreement, and are delivered herewith.
- B. Operating Lines: the operating portions of the Hillsboro Branch, the Northern Railroad, the Mountain Division, the White Mountain Branch, the Conway Branch, the Lakeport Branch, the Manchester and Lawrence Branch, the Portsmouth Branch, the Concord and Claremont Branch, and the Hollis Branch (hereinafter, the "Operating Lines"). The Operating Lines do not include those parcels previously conveyed to the state for highway or other public purposes. All of the Operating Lines are more fully described in Exhibit B, annexed hereto and made a part hereof, and are shown on the Valuation Plans indicated by yellow outline on said Plans. Duplicate sets of said Plans have been initialled for identification by B&M and by the State, contemporaneously with the execution of this Agreement, and are delivered herewith.
- C. Abandoned Lines: the abandoned portions of the Hollis Branch, Blackmount Branch, Cochecho Branch, Concord and Claremont Branch, Goffstown Branch, Hopkinton Branch, and Greenville Branch. All of the Abandoned Lines are more fully described in Exhibit C, annexed hereto and made a part hereof.

2. Conveyance of Non-Operating Lines. B&M shall acknowledge, by execution of deeds without covenants running to the State, to be recorded in the appropriate Registries of Deeds, the State's acquisition by virtue of RSA 228:60-a(V), all of B&M's right, title and interest in and to the Non-Operating Lines, except the Gonic Branch and Fort Hill Branch and Mountain Division, certain portions of which B&M and MeC, respectively, shall separately convey to the State by release deed without

covenants. In consideration of the settlement of this litigation, the conveyance of certain portions of the Gonic Branch and Fort Hill Branch and the Mountain Division, and the extinguishment of B&M's claims to the Non-Operating Lines, and in payment of just compensation pursuant to RSA 228:60-a(V), the State shall pay to B&M and MeC the total sum of Seven Million Four Hundred Thousand and 00/100 Dollars (\$7,400,000.00), (hereinafter, the "Just Compensation Payment").

3. Conveyance of Operating Lines. Contingent on the State's receipt of the necessary approvals, the State shall convey to B&M by release deed without covenants all of its right, title, and interest in and to the Operating Lines.

In consideration of the conveyance of the State's fee simple interest in and to the Operating Lines, the State shall receive a credit against the Just Compensation Payment of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) for a net compensation due to B&M in the amount of Five Million Nine Hundred Thousand and 00/100 Dollars (\$5,900,000.00) (hereinafter, the "Net Compensation").

4. Transfer of Interests; Closings.

- A. Closing I. The first closing under this Agreement (hereinafter, "Closing I") shall take place the earlier of either (i) within thirty (30) days of the State's receipt of all required approvals or (ii) September 30, 1994. It is agreed that time is of the essence of this Agreement. At Closing I, B&M shall convey to the State all of its right, title and interest in and to the Gonic Branch, the Fort Hill Branch, and the Lakeport Branch. At Closing I, MeC shall convey to the State all of MeC's right, title and interest in and to the non-operating portion of the Mountain Division located in the State of New Hampshire, including all rail and other track material located thereon from the Intervale switch north. Rail and other track materials from the Intervale switch to the New Hampshire/Maine state line shall remain the property of MeC, and MeC shall be entitled to remove the same. Upon completion of said conveyances at Closing I, the State shall pay to B&M Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000.00), by check drawn upon the State of New Hampshire, such sum being one-half of the Net Compensation. At Closing I the State shall also convey to B&M the State's fee simple interest in and to the Operating Lines.
- B. Closing II. On or before September 29, 1995 (hereinafter, "Closing II") B&M shall convey to the State all of its right, title and interest in and to the Northern Railroad, the Cheshire Branch, and the Ashuelot Branch. It is agreed that time is of the

essence of this Agreement. Upon completion of said conveyances at Closing II, the State shall pay to B&M Two Million Nine Hundred Fifty Thousand and 00/100 Dollars (\$2,950,000.00) by check drawn upon the State of New Hampshire, such sum being the final payment of the Net Compensation.

5. Pro-ration of Rents, Etc. All rents, water and sewer fees (if any), and taxes shall be pro-rated as of the date of delivery of the deeds.

6. Title to Abandoned Lines. The State and B&M agree that the railroad easements laid out under Ch. 128 of Laws of 1844 have been extinguished on the Abandoned Lines by operation of law due to their legal abandonment for railroad purposes. The State acknowledges that it has no claim of title to the Abandoned Lines under RSA 228:60-a(V).

7. Acknowledgements, Waivers and Releases.

A. Operating Lines. The State acknowledges that B&M has, prior to and during the period from June 18, 1991 (the effective date of the amendments to RSA 228:60-a(V)) to the date of Closing I, by contract or otherwise, granted certain property rights in and to the Operating Lines to third parties. The State hereby waives and releases any claim against B&M or any third party grantee or assignee of B&M for any payments received by or payable to B&M prior to or from June 18, 1991 to the date of Closing I.

B. The Northern Railroad. The State acknowledges that B&M has entered into a certain Fiber Optic Easement Agreement dated August 27, 1987 with AT&T relating to the installation and operation of communications transmission systems in, on, upon, over, under, across, along or through B&M's rail corridor between Manchester, New Hampshire and White River Junction, Vermont, which rail corridor includes the Northern Railroad, v.s. 32.1, Maps 9-67 (hereinafter, the "Northern Fiber Optics Agreement").

B&M has provided the State with copies of the Northern Fiber Optics Agreement, any amendments thereto, and any assignments thereof, including a certain Sale Agreement dated as of January 1, 1988 between B&M and Portland Terminal Company (as sellers) and Peoples Security Life Insurance Company ("Peoples") and Commonwealth Life Insurance Company ("Commonwealth") (as buyers).

The State has reviewed such documents and hereby waives and releases any claims against B&M pursuant to the Northern Fiber Optics Agreement, and any claims against Peoples or Commonwealth for payments made by AT&T to Peoples or Commonwealth.

The State recognizes the validity of AT&T's easement interest which it acquired from B&M pursuant to the Northern Fiber Optics Agreement and waives and releases any claims against AT&T relating to said easement.

8. Covenants of the State. Subject to B&M's full performance of its obligations contained in this Agreement, the State covenants and agrees as follows:

- A. The Abandoned Lines, the Non-Operating Lines (except the Fort Hill Branch and Gonic Branch and the Mountain Division) and the Operating Lines which are the subject of this Agreement are the only railroad lines owned or operated by B&M or Springfield Terminal which were laid out under the Act of December 25, 1844 (Chapter 128), as amended; and
- B. Neither the terms of this Agreement nor the provisions of New Hampshire RSA 228:60-a(V) affect B&M's title to any railroad lines which are not subject hereto.
- C. Any claims brought against B&M within the period allowed by RSA 228:60-a(V) by third-party reversionary interest holders relating to any taking effected by the State under said statute shall be the responsibility of the State.

9. Covenants of B&M. Subject to the State's full performance of its obligations contained in this Agreement, B&M covenants and agrees as follows:

- A. With respect to the Abandoned Lines, the Operating Lines, and the Non-Operating Lines (except the Fort Hill Branch and Gonic Branch and the Mountain Division) which are the subject of this Agreement, B&M waives any and all rights it may have to make a claim for damages pursuant to RSA 228:60-a(V), and the payment provisions of this Agreement are in lieu of any such claims; and
- B. With respect to the Abandoned Lines, the Operating Lines and the Non-Operating Lines, B&M agrees not to challenge the validity of RSA 228:60-a(V).

10. Consent Decrees. Within thirty (30) days after Closing II, and provided that B&M and the State have met all of their respective obligations hereunder, the parties shall execute a court-approved Consent Decree for filing in each of the following actions currently pending in the New Hampshire Superior Court:

- (1) Hillsborough County North, No. 92-E-102;
- (2) Hillsborough County North, No. 92-E-207;

- (3) Hillsborough County North, No. 92-E-142;
- (4) Hillsborough County South, No. 92-E-34;
- (5) Rockingham County, No. 92-E-162;
- (6) Merrimack County, No. 92-E-171; and
- (7) Grafton County, No. 92-E-051.

Said Consent Decrees shall be substantially in the form of Exhibit D, annexed hereto and made a part hereof.

11. Survival of Covenants. The covenants of the State and B&M set forth in Sections 8 and 9, above, shall survive the delivery of deeds and filing of consent decrees contemplated by this Agreement and shall continue to bind the State and B&M, its successors and assigns.

12. Contingencies. This Agreement is contingent upon (1) the State's receipt of all approvals required by law, (2) the approval of the Governor and Council of the State of New Hampshire, and (3) upon the State's obtaining federal funding pursuant to the federal Intermodal Surface Transportation Efficiency Act of 1991, or other applicable federal funding legislation.

13. Notices. Any notice or other communication contemplated by or in connection with this Agreement shall be deemed to have been given when made in writing and mailed to the parties, by registered or certified mail with the United States Postal Service, at their addresses as set forth below or at such other address as may hereafter be designated by notice:

If to B&M: Leonard Lucas, Vice President Real Estate
Guilford Transportation Industries, Inc.
402 Amherst Street - Suite 300
Nashua, New Hampshire 03063-1287

With a copy to: James Q. Shirley, Esq.
Sheehan Phinney Bass + Green, P.A.
P.O. Box 3701
Manchester, NH 03105-3701

If to the
State: William H. Carpenter
Administrator, Bureau of Railroads
Department of Transportation
P. O. Box 483
Concord, NH 03301-0483

With a copy to: Michael Walls, Esq.
Senior Assistant Attorney General
Office of the Attorney General
25 Capitol Street
Concord, NH 03301

14. Default; Remedy. In the event that either party, at or prior to either Closing I or Closing II fails to perform such

party's obligations hereunder, the party claiming default shall have the right, in addition to pursuing any other remedy in law or equity, to activate the pending litigation and seek the relief requested therein from the Hillsborough County Superior Court.

15. Binding Effect. This Agreement shall be binding upon the parties hereto, their assigns and successors in interest.

16. Governing Law. This Agreement shall be governed by the laws of the State of New Hampshire as such laws are applied to agreements between New Hampshire residents entered into and to be performed within the State of New Hampshire.

17. No Third Party Beneficiaries. With the exception of those third parties explicitly referenced in Section 6(B) hereof, this Agreement is solely for the benefit of B&M, MeC and the State, and nothing herein shall be deemed to create enforceable rights in any other third parties nor shall this Agreement be referred to in interpreting independent rights and obligations of other third parties.

IN WITNESS WHEREOF, the parties hereto set their hands and seals on the day and year first above written.

BOSTON AND MAINE CORPORATION

F. Luke Olson
Witness

By: David A. Fink
David A. Fink, President

MAINE CENTRAL RAILROAD COMPANY

F. Luke Olson
Witness

By: David A. Fink
David A. Fink, President

STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

Karin Miller
Witness

By: Charles P. O'Leary, Jr.
Commissioner

MJL/1170/AF4
January 4, 1994

EXHIBIT A

"Non-Operating Lines"

| <u>Branch</u> | <u>Val.</u> <u>Sec.</u> | <u>Map</u> | <u>Station</u> <u>to</u> | <u>Val.</u> <u>Sec.</u> | <u>Map.</u> | <u>Station</u> |
|--------------------|----------------------------|------------|--------------------------|----------------------------|-------------|----------------|
| Asheulot | 42.5 | 1 | 3+20 | 42.5 | 22 | 1134+65 |
| Fort Hill | 42.1 | 52 | 2651+48 | 42.1 | 61 | 3120+79.4 |
| Cheshire | 39.1 | 12 | 569+58.5 | 39.1 | 54 | 2784+05 |
| Northern | 32.1 | 8 | 383+59.4 | 32.1 | 68 | 3515+69 |
| Gonic | 6 | 94 | 4920+80 | 6 | 96 | 2770+00 |
| Lakeport | 4.2 | 9 | 434+69.5 | 4.2 | 10 | 512+90 |
| Mountain | 17 | 1 | 2312+95.5 | 17 | 53 | 5060+25 |
| Quebec Junction | 19 | 1 | 0+92 | 19 | 1 | 33+00 |

EXHIBIT B

"Operating Lines"

| <u>Branch</u> | <u>Val.</u> <u>Sec.</u> | <u>Map</u> | <u>Station</u> <u>to</u> | <u>Val.</u> <u>Sec.</u> | <u>Map.</u> | <u>Station</u> |
|-------------------|----------------------------|------------|--------------------------|----------------------------|-------------|----------------|
| Hills- borough | 17 | 1 | 1+20 | 17 | 16 | 814+55.4 |
| M&L | 10 | 1 | 1567+28.2 | 10 | 4 | 1772+01 |
| M&L | 10 | 18 | 2475+72 | 10 | 24 | 2797+25 |
| White Mountain | 21 | 35 | 1835+35 | 21 | 36 | 56+75 |
| Northern | 32.1 | 1 | 12+60 | 32.1 | 8 | 383+59.4 |
| Northern | 32.1 | 68 | 3515+69 | 32.1 | 70 | 3661+48 |
| Lakeport | 4.2 | 8 | 395+48.5 | 4.2 | 9 | 434+69.5 |
| Lakeport | 4.2 | 10 | 512+90 | 4.2 | 17 | 891+46 |
| Conway | 2 | 68 | 3685+31 | 2 | 68 | 3699+12 |

(All Land North of Line Drawn 33' From Centerline of Main Line)

| | | | | | | |
|------------|-----|-------|--------|-----|-------|--------|
| Conway | 4.1 | S1 | 16+81 | 4.1 | S3 | 322+70 |
| Conway | 4.1 | 5 | 224+64 | 4.1 | 14 | 702+71 |
| Portsmouth | 3 | SL55A | -13+05 | 3 | SL55A | 33+00 |

(Formerly V.28, MAP SL1)

| | | | | | | |
|--------------------------|----|------|-----------|----|------|---------|
| Portsmouth | 28 | 2 | 33+00 | 28 | 11 | 522+57 |
| Portsmouth | 28 | 38 | 1967+15.5 | 28 | 41 | 2104+08 |
| Concord and Claremont | 21 | 35.1 | 16+70 | 21 | 35.2 | 92+40 |
| Hollis | 6 | 47 | 2444+20 | 6 | 47 | 2408+35 |

EXHIBIT C

"Abandoned Lines"

| <u>Branch</u> | <u>Val.</u> <u>Sec.</u> |
|--------------------------|---|
| Hollis | 6 (excepting those portions listed on <u>Exhibit B</u>) |
| Blackmount | 21 |
| Coheco | 4.2 |
| Concord and Claremont | 21 (excepting those portions listed on <u>Exhibit B</u>) |
| Goffstown | 23.2 |
| Hopkinton | 33.2 |
| Greenville | 36.4 |

NOTE: Where an entire rail line is referenced, only the Val. Sec. is given. When necessary to delineate portions of a rail line, the Map and Station referenced are provided.

EXHIBIT D

THE STATE OF NEW HAMPSHIRE

HILLSBOROUGH, SS
NORTHERN DISTRICT

SUPERIOR COURT

Hillsborough County North:

92-E-142 Boston and Maine Corp. V. Charles P. O'Leary, et al.
92-E-102 Boston and Maine Corp. V. Charles P. O'Leary, et al.
92-E-207 State of New Hampshire V. Boston and Maine Corp.

Hillsborough County South:

92-E-034 State of New Hampshire V. Boston and Maine Corp., et al.

Rockingham County:

92-E-162 State of New Hampshire V. Boston and Maine Corp., et al.

Merrimack County:

92-E-171 State of New Hampshire V. Boston and Maine Corp., et al.

Grafton County:

92-E-051 State of New Hampshire V. Boston and Maine Corp., et al.

STIPULATION FOR ENTRY OF CONSENT ORDER

NOW COME the parties to the above captioned cases and agree that the Court issue the following order in these consolidated cases:

1. Docket Nos. 92-E-102 and 92-E-142 shall be marked:
"Neither Party. No costs. No further actions to be brought for the same causes, or any combination of them."

2. Docket Nos. 92-E-207, 92-E-034, 92-E-162, 92-E-171, and 92-E-051 shall be marked: "Decree for Petitioner. The State of New Hampshire owns those portions of the Northern Line, the Hillsborough Branch, and Manchester and Lawrence Line described in Exhibits A, B, and C, attached to the respective petitions, in fee simple absolute, unencumbered by any leasehold or other interest of the Boston and Maine Corporation."

WHEREFORE, the parties hereto respectfully pray that the Court enter appropriate orders in accordance herewith.

Respectfully submitted,

BOSTON & MAINE CORPORATION

By its attorneys,

SHEEHAN PHINNEY BASS + GREEN
PROFESSIONAL ASSOCIATION

By:

James Q. Shirley, Esquire
1000 Elm Street, P.O. Box 3701
Manchester, NH 03105-3701
(603) 668-0300

THE STATE OF NEW HAMPSHIRE AND
CHARLES P. O'LEARY, JR.,
COMMISSIONER, DEPARTMENT OF
TRANSPORTATION

By their attorneys,

JEFFREY R. HOWARD, ATTORNEY
GENERAL

By:

Michael J. Walls, Esquire
Senior Assistant Attorney
General
State House Annex
25 Capitol Street
Concord, NH 03301
(603) 271-3675



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

HAY P. O'LEARY, JR.
COMMISSIONER

Bureau of Railroads and Public Transportation

December 30, 1993

His Excellency, Stephen Merrill, Governor
and the Honorable Council
State House
Concord, New Hampshire 03301

Re: Purchase of Rail Properties

REQUESTED RESOLUTION

RESOLVED that the Governor and Council authorize the Commissioner of the Department of Transportation, to enter into a Settlement Agreement with the Boston and Maine Corporation (B&M) and the Maine Central Railroad Company (MEC), to resolve pending lawsuits and to purchase certain rights, title and interest in various rail corridors and to receive credit towards the purchase price in return for conveyance of the State's fee simple interest in certain rail corridors resulting in a net sum payment to B&M and MEC of Five Million Nine Hundred Thousand (\$5,900,000.00) Dollars contingent upon the State's receipt of all approvals required by law.

FURTHER RESOLVED, the Department of Transportation be authorized to encumber \$4,720,000.00 from Consolidated Federal Aid Appropriation Account No. 015-096-3054-090-0308.

FURTHER RESOLVED, the Comptroller be authorized to encumber \$1,180,000.00 from appropriation Account No. 030-096-9938-090-0308 (Laws of 1990, 200:10).

EXPLANATION

The State and Guilford Transportation Industries, Inc., and its subsidiary, the Boston and Maine Corporation are engaged in seven lawsuits relating to the title and ownership of eighteen railroad corridors laid out by State Railroad Commissioners in the 1800's.

Re: Purchase of Rail Properties

The New Hampshire Department of Transportation has negotiated a Settlement Agreement with the Boston and Maine Corporation which gives the State clear title to the abandoned railroad corridors while Boston and Maine Corporation gets clear title to its operating railroad corridors. The negotiated agreement is consistent with New Hampshire Statutes (RSA 228:60-a) and recommendations contained in the "Transportation in the 21st Century" report as well as the Intermodal Surface Transportation Efficiency Act of 1991.

Under the terms of the proposed agreement (enclosed) the State would compensate Boston and Maine the net amount of \$5,900,000.00 in two equal installments coinciding with Federal Fiscal years. This would enable the State to take fee simple control of 186 additional miles of rail corridors to be preserved for further transportation needs and used in the interim for recreation purposes (solid lines on enclosed map). This increases the State ownership of rail corridors to approximately 393 miles.

The State would convey rights, title and interest in 65 miles in rights-of-way of operating railroad lines (dotted lines on enclosed map). These lines are under the jurisdictional control of the Interstate Commerce Commission and would remain under Boston and Maine's operation regardless of the ownership of the corridor. In return for this conveyance by the State, the railroad credits \$1,500,000.00 resulting in the net cost of \$5,900,000.00.

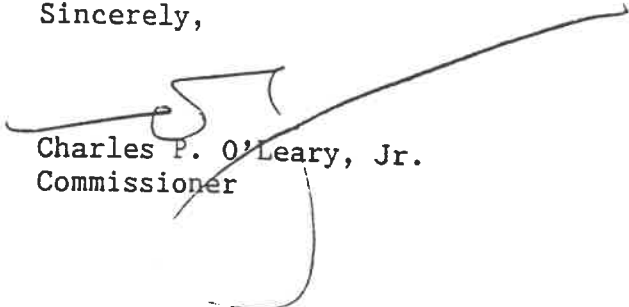
Included in the 186 additional miles of rail corridors and outside the title issue are the recently abandoned Mountain Division through Crawford Notch (including rail) and the Fort Hill Branch in Hinsdale.

It is proposed to finance this acquisition using Enhancement funds available in the Intermodal Surface Transportation Efficiency Act of 1991. The Federal share would be 80% of the \$5,900,000.00 or \$4,720,000.00. The remaining 20% (1,180,000.00) would come from General Funds authorized under 200:10, Laws of 1990, which authorized \$3,000,000.00 for the purchase of rail properties.

The attached agreement, outlining the conditions, is acceptable to the Department of Transportation, the Boston and Maine Railroad, and the Maine Central Railroad and has been approved as to content, form, and execution by the Office of Attorney General.

Your approval of this resolution is hereby respectfully requested.

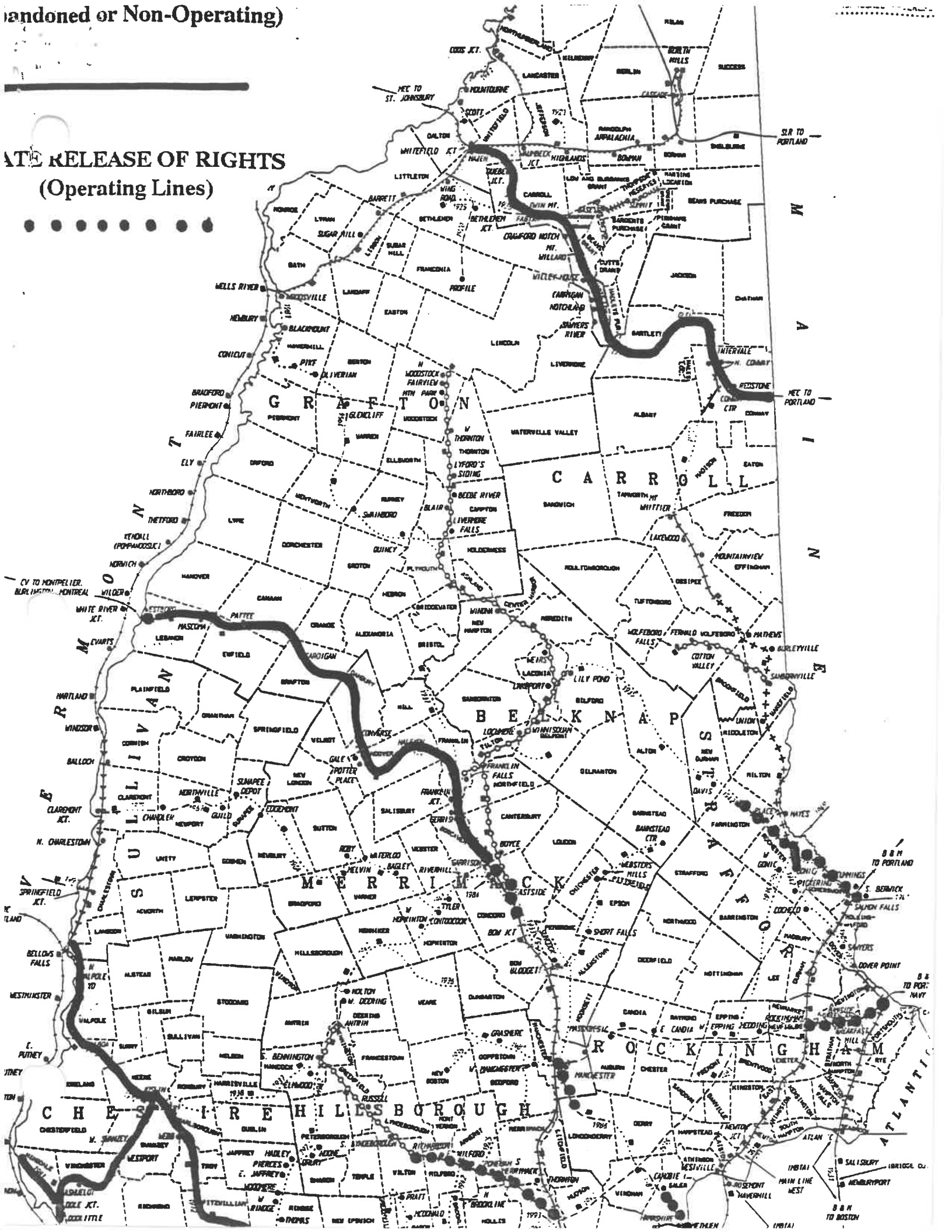
Sincerely,


Charles P. O'Leary, Jr.
Commissioner

Enclosures
CPO/fpp

andoned or Non-Operating)

DATE RELEASE OF RIGHTS (Operating Lines)



STATE OF NEW HAMPSHIRE - BOSTON AND MAINE

AGREEMENT FOR RAIL CORRIDORS

STATE ACQUISITIONS (ABANDONED OR NON-OPERATING):

MAP REFERENCE

| | Length (miles) |
|---|----------------|
| <u>ASHUELOT BRANCH</u> - Connecticut River in Hinsdale to Keene | 23.0 |
| <u>CHESHIRE BRANCH</u> - Massachusetts - New Hampshire line in Rindge to Walpole | 43.2 |
| <u>MOUNTAIN DIVISION</u> - Maine - New Hampshire line thru Crawford Notch to Whitefield. (NOTE: Railroad track is included from Whitefield to the Intervale switch to permit connection to Conway Scenic Railroad.) | 52.2 |
| <u>NORTHERN RAILROAD</u> - Boscawen - Lebanon | 59.3 |
| <u>FORT HILL BRANCH</u> - Entirely in the Town of Hinsdale running along the Connecticut River | 7.2 |
| <u>GONIC BRANCH</u> - Entirely in Rochester | <u>1.5</u> |
| Total Mileage | 186.4 |

STATE RELEASE OF ANY RIGHTS THAT IT MAY HAVE (OPERATING LINES):

| | |
|--|------------|
| <u>HILLSBOROUGH BRANCH</u> - Nashua - Wilton | 15.4 |
| <u>MANCHESTER-LAWRENCE BRANCH</u> - Manchester to Londonderry section in Salem. Total length of both sections. | 10.1 |
| <u>PORTSMOUTH BRANCH</u> - Newfields - Portsmouth | 12.5 |
| <u>WHITE MTN BRANCH</u> - Concord (Concord Bus Station - Concord Lumber site) | 1.2 |
| <u>NORTHERN RAILROAD</u> - Concord - Boscawen, section in Lebanon - Total length in both portions | 10 0 |
| <u>CONWAY BRANCH</u> - Rochester - Rollinsford | 9.7 |
| <u>LAKEPORT BRANCH</u> - Rochester - Farmington | <u>6.2</u> |
| Total Mileage | 65.1 |

SETTLEMENT PRICE:

- State offer of \$7.4 Million for abandoned and non-operating lines....
- Boston and Maine offer of \$1.5 Million for any rights State may have in operating lines.

Net Cost to State = \$5.9 Million

- Payment to be made in two installments of \$2.95 Million each.
- Federal Funds will provide up to 80% or \$4.72 Million.
- Balance from existing bonded State Authorization.

FIBER OPTICS:

A.T. & T. has purchased "perpetual" easement on Northern - thus no income to State from this agreement. **(NEW OR EXPANDED FIBER OPTICS INSTALLATIONS WILL PRODUCE INCOME TO STATE.)**

Whereas A.T. & T. installation on Manchester-Lawrence branch is on operating rights-of-way and previously deeded rights, Boston and Maine will retain this income.

GENERAL COMMENTS:

- Boston and Maine would retain operating rights on non-abandoned lines regardless of who owns right-of-way since operating rights are controlled by the Interstate Commerce Commission.
- Boston and Maine agrees to drop all law suits against State and Department.
- Boston and Maine agrees not to challenge the validity of RSA 228:60-a(v). This law pertains to original layout and acquisition of rail corridors and applies to other railroad companies in addition to Boston and Maine.
- This settlement will reaffirm the State's position of supporting both inter and intra-state railroads as an alternative mode of transportation. It permits Boston and Maine to sell operating lines to shortline operators without any encumbrances on the issue of ownership.
- The State still retains its rights of first refusal to match an offer by a third party to purchase rail property.
- Abandoned lines acquired by the State will include all ancillary parcels, not just the specific linear corridor. Involves substantial additional acreage.