

December 17, 2019

300195

The Honorable Cynthia T. Brown

Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

VIA E-FILE

ENTERED
Office of Proceedings
December 17, 2019
Part of
Public Record

Re: *Soo Company Corporation—Control—Railroad Acquisition Holdings LLC*
Finance Docket No. 36368

Dear Ms. Brown:

Attached for filing in the above-captioned proceeding are two versions of the Application for a Minor Transaction (designated as CP-2) of Applicants Soo Line Corporation and Central Maine & Quebec Railway US Inc. One version, marked as "PUBLIC," and from which sensitive financial, commercial, and operating information has been redacted, is to be filed on the public record. The second, marked as "HIGHLY CONFIDENTIAL," is an unredacted version to be filed under seal subject to the Protective Order served December 3, 2019 in this proceeding.

The filing fee for this Minor Application under 49 C.F.R. § 1002.2(f)(39)(iii) has been tendered electronically via Pay.gov.

Sincerely,

Stinson LLP*/s/ David F. Rifkind*

David Rifkind

DFR:jj

Attachments

cc (w/ Public version of Application)

The Honorable William P. Barr
The Honorable Elaine L. Chao
The Honorable Joseph J. Simons
The Honorable Janet T. Mills
The Honorable Phil Scott
The Honorable Bruce A. Van Note
The Honorable Philip L. Bartlett II
The Honorable Joe Flynn
The Honorable June E. Tierney

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Jerome Pelletier
Tim Baade
Ron Claw
Mark Mosher
David Saucy
James A. Therriault

AMENDED CERTIFICATE OF SERVICE

I hereby certify that I have this 17th day of December, 2019, caused the public version of the foregoing Application (CP-2) in Docket No. FD 36368, *Soo Line Corporation—Control—Central Maine & Quebec Railway US Inc.*, including all exhibits, appendices, and other attachments thereto, to be served upon the following parties by First Class Mail:

The Honorable William P. Barr
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United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

The Honorable Bruce A. Van Note
Commissioner
Maine Department of Transportation
24 Child Street
16 SHS
Augusta, ME 04333-0016

The Honorable Elaine L. Chao
Secretary of Transportation
Office of the Secretary
United States Department of Transportation
1200 New Jersey Ave., SE, 9th Floor
Washington, DC 20590

The Honorable Philip L. Bartlett II
Chairman
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

The Honorable Joseph J. Simons
Office of the Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

The Honorable Joe Flynn
Secretary
Vermont Agency of Transportation
219 N. Main Street
Barre, VT 05641

The Honorable Janet T. Mills
Office of the Governor
State of Maine
#1 State House Station
Augusta, ME 04333-0001

The Honorable June E. Tierney
Commissioner
Vermont Department of Public Service
112 State Street
Montpelier, VT 05620-2601

The Honorable Phil Scott
Office of the Governor
State of Vermont
109 State Street, Pavilion
Montpelier, VT 05609

I hereby certify that I have this 17th day of December, 2019, caused the public version of the foregoing Application (CP-2) in Docket No. FD 36368, *Soo Line Corporation—Control—Central Maine & Quebec Railway US Inc.*, including all exhibits, appendices, and other attachments thereto, to be served upon the following parties via e-mail.

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Jean-Marie Jones

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. 36368

SOO LINE CORPORATION

—CONTROL—

CENTRAL MAINE & QUÉBEC RAILWAY US INC.

APPLICATION FOR A
MINOR TRANSACTION

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CONTAINS COLOR EXHIBITS

December 17, 2019

TABLE OF CONTENTS

	<u>Page</u>
TABLE OF ABBREVIATIONS	vi
SUMMARY.....	2
SOO LINE CORP'S PROPOSED ACQUISITION OF CMQR US IS A MINOR TRANSACTION.	2
APPLICATION INFORMATION	6
<i>Section 1180.6 Supporting Information</i>	6
(a) (1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:.....	6
(i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the Transaction can be addressed.	6
(ii) The proposed time schedule for consummation of the proposed transactions.	7
(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.	8
(iv) The nature and amount of any new securities or other financial arrangements.	12
(a) (2) A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including.....	12
(i) The effect of the transaction on inter- and intramodal competition, including a description of the relevant markets (see § 1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.	12
(ii) The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, in any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.	14
(iii) The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.	14
(iv) The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.	15

(v) The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.....	15
(vi) The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.	15
(a) (3) Any other supporting or descriptive statements applicants deem material.	16
(a) (4) An opinion of applicants' counsel that transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.	16
(a) (5) A list of the State(s) in which any part of the property of each applicant carrier is situated.	16
(a) (a)(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.	17
(a) (7) Explanation of the transaction.	17
(i) Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).	17
(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at § 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.	17
(iii) If a consolidation or merger is proposed, indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of capital stock and other securities to be issued.....	17
(iv) Court order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.....	18

(v) State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.	18
(vi) Briefly describe the principal routes and terminal of lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.....	18
(vii) State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.	20
(a) (8) Environmental data. Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transaction, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Office of Environmental Analysis for the proper format of the environmental report.....	20
<i>1180.8. Operational Data.....</i>	<i>22</i>
(a) For minor transactions: Operating plan-minor (exhibit 15). Discuss any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction. Where relevant, submit information related to the following:.....	22
<i>1180.11 Transnational and other informational requirements</i>	<i>23</i>
(a) For applicants whose systems include operations in Canada or Mexico, applicants must explain how cooperation with the Federal Railroad Administration would be maintained to address potential impacts on operations within the United States of operations or events elsewhere on their systems.....	23
(b) All applicants must assess whether any restrictions or preferences under foreign or domestic law or policies could affect their commercial decisions, and discuss any ownership restrictions applicable to them.	23
CONCLUSION.....	24
Signature of Applicants' Officers Section 1180.4(c)(2)(ii)	
Applicants' Corporate Certification Section 1180.4(c)(2)(ii)	
Certificate of Service	

APPENDICES, EXHIBITS, AND SUPPORTING STATEMENTS

Appendix 1: Opinion of Counsel for Applicant

Exhibit 1: Maps

Map A: CP System Map (CMQR Lines also shown)

Map B: CMQR Map

Map C: CMQR Mileage Information

Exhibit 2: Agreement and Plan of Merger by and among Soo Line Corporation, Black Bear Acquisition LLC, Railroad Acquisition Holdings LLC, and Fortress Worldwide Transportation and Infrastructure General Partnership (solely in its capacity as the Seller Representative)

Exhibit 15: Operating Plan - Minor

Verified Statement of James D. Clements

Verified Statement of Ryan Ratledge

Letters of Support

State of Maine - Department of Transportation

Maine Port Authority

Alliance Shippers Inc.

Axsun INC

Bison Transport

Canadian International Freight Forwarders Association

Caravan Supply Chain Inc.

Cavendish Farms

C.H. Robinson

Chemtrade Logistics

COSCO Shipping Logistics North America, Inc.

Express System Intermodal, Inc.

Fastrate Group

GAC Chemical Corporation

Irving Consumer Products Limited

Irving Paper, Limited
J.D. Irving Limited Sawmills
Irving Wallboard/Atlantic Wallboard Limited
Keltic Transportation Inc.
Maritime-Ontario Freight Lines Ltd.
Nestle Canada
One for Freight/Ontario New England Express Inc.
Pleasant River Lumber Company
Purolator Inc.
Routes Transport Group
Shipping Federation of Canada
Sprague Energy
TAFISA Canada Inc.
Vitran
Volume Freight Solutions
Wellington Group of Companies

TABLE OF ABBREVIATIONS

Black Bear	Black Bear Acquisition LLC
Board	Surface Transportation Board
CDAC	Canadian American Railroad
CMQR US	Central Maine & Quebec Railway US Inc.
CMQR Canada	Central Maine & Quebec Railway Canada Inc.
CMQR System/CMQR	Collectively, CMQR Canada and CMQR US
CP	Canadian Pacific
CPRC	Canadian Pacific Railway Company
FTAI	Fortress Transportation & Infrastructure General Partnership
FRA	Federal Railroad Administration
IRR	Iron Road Railways
Merger Agreement	Agreement and Plan of Merger between Soo Line Corp, Black Bear, Railroad Acquisition Holdings LLC, and Fortress Worldwide Transportation and Infrastructure General Partnership
MMA	Montreal, Maine and Atlantic Railway
RAH	Railroad Acquisition Holdings LLC
Soo Line Corp/Soo Line	Soo Line Corporation
Transaction	Soo Line Corporation's proposed acquisition of Central Maine & Quebec Railway US Inc.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. 36368

SOO LINE CORPORATION

—CONTROL—

CENTRAL MAINE & QUÉBEC RAILWAY US INC.

**APPLICATION FOR A
MINOR TRANSACTION**

Applicants Soo Line Corporation ("Soo Line Corp")¹ and Central Maine & Quebec Railway US Inc. ("CMQR US") file this minor application pursuant to 49 U.S.C. §§ 11323-11325 and 49 C.F.R. Part 1180 seeking approval from the Surface Transportation Board (the "Board") for Soo Line Corp to acquire control of CMQR US, a wholly owned subsidiary of Railroad Acquisition Holdings LLC ("RAH").²

Soo Line Corp has agreed to acquire 100% of the equity interests in RAH. As a result of the transaction, Soo Line Corp will (indirectly) control CMQR US, which owns and operates approximately 244.2 miles of rail lines in Vermont and Maine, as well as the right to operate on approximately 57.25 miles of rail line leased from the State of Maine's Department of Transportation, for a total of approximately 301.45 route miles in the United States (the

¹ Soo Line Corp is a wholly owned indirect subsidiary of Canadian Pacific Railway Company. It is a United States holding company. The following U.S. railroads are direct or indirect subsidiaries of Soo Line Corp: Soo Line Railroad Company, Dakota, Minnesota & Eastern Railroad Corporation, and Delaware and Hudson Railway Company, Inc. The US and Canadian railroads do business as "Canadian Pacific" or "CP."

² Railroad Acquisition Holdings LLC, a Delaware limited liability company and wholly owned subsidiary of Fortress Transportation and Infrastructure Investors LLC, owns Central Maine & Quebec Railway US Inc. and Central Maine & Quebec Railway Canada Inc. ("CMQR Canada") (collectively, the CMQR system" or "CMQR").

"Transaction").³ This is an end-to-end control transaction and will assure the continued efficient movement of interline traffic interchanged between CP and CMQR via those lines, including overhead and local traffic.

Applicants respectfully request Board approval for Soo Line Corp's acquisition of control of CMQR US(the "Transaction").⁴ This Application demonstrates that the Transaction: (1) is a minor transaction; (2) satisfies the criteria for approval under 49 U.S.C. § 11324(d) (*i.e.*, it is not likely to substantially lessen competition, create a monopoly, or restrain trade in freight surface transportation in any region of the United States); and (3) will not result in changes in carrier operations that would exceed the thresholds requiring environmental review or historic assessment under the Board's regulations.

SUMMARY

Applicants request the Board to approve this minor application for Soo Line Corp to acquire control of CMQR US as described more precisely below and as identified on Map(s) [•] of Exhibit 1.

SOO LINE CORP'S PROPOSED ACQUISITION OF CMQR US IS A MINOR TRANSACTION.

The Transaction is a minor transaction, as that term is defined in the Board's regulations at 49 C.F.R. §1180.2(c). The Transaction does not involve the control or merger of two Class I railroads and therefore is not a major transaction under 49 C.F.R. §1180.2(a). In addition, the Transaction is not a "significant" transaction under 49 C.F.R. §1180.2(b). Under the Board's rules, a non-major transaction is not significant if a determination can be made either:

- (1) [t]hat the transaction clearly will not have any anticompetitive effects, or

³ Soo Line Corp will seek authorization from the appropriate Canadian authority for its acquisition of CMQR Canada, including the approximately 236.81 route miles of rail lines in that country.

⁴ Soo Line Corp will seek authorization from the appropriate Canadian authority for its acquisition of CMQR Canada, including the approximately 236.81 route miles of rail lines in that country.

(2) [t]hat any anticompetitive effects of the transaction will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs.

49 C.F.R. § 1180.2(b). The Board has found that it was unlikely the transaction would have "any anticompetitive effects" in a case where it appeared no "shipper would have fewer competitive rail options." *CSX Transp., Inc. & Delaware and Hudson Ry. Co., Inc.—Joint Use Agreement ("CSX/D&H")*, STB Docket No. FD 35348, slip op. at 7 (STB served May 27, 2010).

As shown below, the proposed Transaction will clearly have no anticompetitive effects and therefore qualifies as a minor transaction under Section 1180.2(b) of the Board's regulations. CMQR US will continue to provide service to local customers on its lines and move interline traffic for interchange with CP. The Transaction will not reduce competitive rail alternatives for customers located on CMQR US. It will, however, enhance efficiency of Applicants' train operations. As discussed below, CP expects to modify the parties' interchange at Iberville in Quebec to enable operation of longer trains, to invest substantial capital to improve track infrastructure to allow for faster, more efficient, economical and safe operations, and to provide seamless service. Under these circumstances, this Transaction is appropriately classified as a minor transaction consistent with prior Board classifications of minor transactions. *See, e.g., Norfolk S. Ry.—Acquisition & Operation—Certain Rail Lines of Delaware & Hudson Ry. Co., Inc. ("NS/D&H")*, STB Docket No. FD 35873, slip op. at 2 (STB served Dec. 16, 2014) (finding end-to-end line sale to be a minor transaction); *CSX/D&H*, Docket No. FD 35348, slip op. at 7 (STB served May 27, 2010) (finding transaction to be minor where there did "not appear to be a likelihood of any anticompetitive effects" and where it did not appear "that any shipper would have fewer competitive rail alternatives"); *Norfolk S. Ry.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC ("NS/Pan Am")*, STB Finance Docket No. 35147, slip op. at 9 (STB

served June 26, 2008) (finding end-to-end transaction to be minor transaction, where it appeared that no shipper would have fewer competitive rail options).

Moreover, even if the Transaction were to result in some anticompetitive effects (which it will not), such effects would clearly be outweighed by the Transaction's anticipated contribution to the public interest in meeting significant rail transportation needs. In addition to its other benefits, Soo Line Corp's acquisition of CMQR US will provide improvements in the efficient movement of existing and future interline traffic between CMQR and CP.

Finally, the Transaction does not fall within any of the class exemptions set forth in 49 C.F.R. § 1180.2(d).

As the Transaction is not major, significant, or exempt, Applicants respectfully request the Board to find the Transaction to be a minor transaction under 49 C.F.R. § 1180.2(c).

STANDARD OF REVIEW

Congress has mandated that, in proceedings such as this one that do not involve the merger or control of at least two Class I rail carriers, the Board "shall approve" the transaction unless it finds both that:

- (1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States; and
- (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

49 U.S.C. § 11324(d). The Board must approve such a transaction unless it finds that it will cause "adverse competitive impacts that are both 'likely' and 'substantial,'" and that those impacts outweigh the public benefits of the transaction and cannot be mitigated through Board-imposed

conditions.⁵ The Board and its predecessor agency have long recognized that end-to-end transactions, such as this one, are not likely to raise competitive issues.⁶ Like other end-to-end transactions, this Transaction would clearly have no anticompetitive effects, let alone ones that are "likely" or "substantial."

Further, as this Application will demonstrate, the Transaction will contribute to the public interest in meeting significant rail transportation needs, so that even if there were anticompetitive impacts – there are none -- they would clearly be outweighed by the Transaction's contribution to the public interest in meeting those needs.

Applicants request that the Board approve Soo Line Corp's acquisition and control of CMQR US under the statutory standard set forth in 49 U.S.C. § 11324(d). In support of this position, and pursuant to the Board's regulations at 49 C.F.R. Part 1180, Applicants submit the following information:

⁵ *NS/D&H*, Docket No. FD 35873, slip op. at 14 (STB served May 15, 2015) ("*NS/D&H*"), *petition for rev. dismissed sub nom. Riffin v. STB*, No. 16-1043 (D.C. Cir. Mar. 31, 2017). Public interest factors are considered only where significant anticompetitive effects are found. *Can. Nat'l Ry.—Control—EJ&E W. Co.*, STB Finance Docket No. 35087, Decision No. 16, slip op. at 13 (STB served Dec. 24, 2008).

⁶ *E.g.*, *NS/Pan Am*, STB Finance Docket No. 35147, slip op. at 5 (STB served Mar. 10, 2009) ("This agency has long held that end-to-end transactions are unlikely to generate the types of competitive problems that often arise in parallel transactions."); see also *id.* (finding that the end-to-end transaction would not adversely affect competition); *Norfolk S. Corp.—Control & Consolidation Exemption—Algers, W. & W. Ry.*, STB Finance Docket No. 34839, slip op. at 8 (STB served Feb. 15, 2007) (finding no "likelihood that a substantial lessening [sic] of competition" would result from the end-to-end transaction); *Huron & E. Ry.—Acquisition—CSX Transp., Inc. Line Between Bad Axe & Saginaw, MI*, Finance Docket No. 31316, 1988 WL 225140, at *5 (ICC Dec. 16, 1988) (finding that the end-to-end transaction "w[ould] not result in the loss of, or any reduction in, competitive rail services").

APPLICATION INFORMATION

Section 1180.6 Supporting Information

(a)(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:

(i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the Transaction can be addressed.

On November 19, 2019, Soo Line Corp, a Minnesota corporation, Black Bear Acquisition LLC ("Black Bear"), a Delaware limited liability company and wholly owned subsidiary of Soo Line Corp, Railroad Acquisition Holdings LLC ("RAH"), a Delaware limited liability company, and Fortress Worldwide Transportation and Infrastructure General Partnership, a Delaware general partnership ("FTAI"), solely in its capacity as Seller Representative, entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, Soo Line Corp plans to acquire all the outstanding membership interests of RAH, which currently owns all of the outstanding common stock of CMQR US. The proposed transaction will be carried out through a merger of Black Bear with and into RAH, after which RAH would be the surviving limited liability company and a wholly owned subsidiary of Soo Line Corp. As a result of the transaction Soo Line Corp will acquire (indirect) control of CMQR US.

In this Application pursuant to 49 U.S.C. §§ 11323 et seq. and 49 C.F.R. §§ 1180.2(c) and 1180.4(c), Applicants seek approval by the Board of Soo Line Corp's acquisition of control of CMQR US. CMQR currently owns and/or operates and approximately 301.45 route miles of rail lines in the States of Maine and Vermont. that are either owned or leased by CMQR US in the United States. CMQR's US rail lines are described in greater detail in § 1180.6(a)(7)(vi) below and shown in Map B and C of Exhibit 1.

The Applicants involved in the Transaction and their business addresses are:

Soo Line Corporation
Suite 800
120 S. 6th Street
Minneapolis, MN 55402-1201
(612) 904-5974

Central Maine & Quebec Railway US Inc.
700 Main Street, Suite 3
Bangor, ME 04401
(800) 222-1433

Questions and correspondence concerning this Application may be addressed to:

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Counsel for Central Maine & Quebec Railway US Inc.

(ii) The proposed time schedule for consummation of the proposed transactions.

Assuming that the conditions precedent to closing the merger of Black Bear Corporation with and into Railroad Acquisition Holdings LLC have been satisfied, the parties intend to consummate the merger on December 30, 2019. In order to avoid unlawful control of CMQR US in violation of 49 U.S.C. § 11323, immediately upon consummation all of the common shares of

CMQR US will be deposited in an independent voting trust pending approval of the Transaction by the Board.⁷

(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

Soo Line Corp is purchasing 100% of the equity interests of RAH and its two rail subsidiaries, CMQR US and CMQR Canada (collectively, the "CMQR system" or "CMQR"). In doing so, Soo Line Corp will acquire 481 miles of rail line, much of which CP previously owned. The CMQR system connects to CP at St-Jean sur Richelieu, Quebec, east of Montreal and runs east to the Atlantic seaports of Searsport, Maine and (via haulage) to Saint John, New Brunswick. CMQR US also owns a branch line that runs south from Canada into northern Vermont, a line running north from Searsport to Millinocket, ME, and leases the line between Brunswick and Rockland, ME from the State of Maine.

As James Clements explains in his Verified Statement, in the early 1990s, little traffic moved on much of the trackage that now comprise the CMQR system. In 1995, CP sold the Sherbrooke and Moosehead subdivisions between Brookport, QC and Brownville Junction to Iron Road Railways ("IRR"), which operated the lines as Canadian American Railroad ("CDAC"). In 1996, CP sold the Adirondack subdivision between St.-Jean sur Richelieu, QC and Brookport; the Stanbridge subdivision between Farnham, QC and Stanbridge, QC; the St.-Guillaume subdivision between Farnham and Ste.-Rosalie, QC; and the Newport subdivision between Brookport and Newport, VT to IRR. IRR operated the Newport subdivision as Northern Vermont Railway and

⁷ On November 26, 2019, Soo Line Corp submitted a request pursuant to 49 C.F.R. 1013.3 for approval of a proposed voting trust agreement, pursuant to which all of the common stock of CMQR US would be placed into an irrevocable voting trust pending final Board action on this Application. On December 10, 2019, the Director of the Board's Office of Public Assistance, Government Affairs and Compliance issued a letter pursuant to 49 C.F.R. § 1013.3(a) providing staff's informal opinion that "the proposed voting trust agreement would effectively insulate Soo Line Corp from unauthorized control of CMQR US

the remaining subdivisions as CDAC. After IRR declared bankruptcy in 2002, Montreal, Maine and Atlantic Railway (“MMA”) purchased the assets in 2003. In 2013, following the Lac-Mégantic disaster, MMA also filed for bankruptcy. FTAI’s subsidiary RAH then acquired the assets at auction in January 2014 and established CMQR US and CMQR Canada. Under FTAI’s ownership, the CMQR system has become a financially sound railroad with a substantial and growing traffic base.

Today, the CMQR system handles more than 24,000 carloads annually. Of that traffic, CMQR interchanges approximately {{ }} with CP at St-Jean sur Richelieu, Quebec. Thus, the CMQR system, which connects with CP end-to-end at St-Jean sur Richelieu east of Montreal, has become an important CP interline carrier and is a natural fit for CP’s network. As acquisition of CMQR by another Class I railroad could put much of this traffic at risk, when FTAI sought a buyer for the railroad earlier this year, CP sought to acquire it in no small part to protect the growing traffic volumes that it interchanges with CMQR. In this respect, CP’s ownership of the CMQR system is critical to preserving competition in northeastern U.S. and eastern Canada. This includes competition with Canadian National to the north, as well as Norfolk Southern and CSX to the south.

The Transaction will result in faster, seamless and more efficient service on Applicants’ lines. Such improved service will benefit shippers, including by opening new markets such as the import and export markets served by the Atlantic deep-water ports of Searsport in Maine and Saint John in New Brunswick. Improved service to Searsport creates the potential to broaden the range of both the commodities handled and geographic markets reached through this recently reconstructed and revitalized Atlantic port.⁸ CP intends to work with port facility owners and

⁸ See e.g., <http://searsport.maine.gov/?SEC=65CA2B27-B601-423B-B7CE-2765CD293C03>

operators, shippers and receivers to improve the competitiveness of this deep-water port and expand the volume of traffic moving through it. The Port of Saint John, which is currently undergoing a CAD \$205 million modernization and expansion that will nearly triple the port's container handling capacity by 2023, presents additional commercial opportunities for CP, CMQR and their customers.⁹

With improved service and expanded market reach, Applicants see opportunities to grow traffic and thereby grow revenue. In the near term, Applicants expect organic growth of the existing CMQR traffic base, particularly forest products and chemicals. Applicants also expect near and long term growth in CP's traffic base. The efficiencies that CP will drive, as well as the port expansion, make these import and export markets a more attractive option for current CP's customers and enhances Applicants' ability to win new customers from intermodal and intramodal competitors. Applicants estimate near term growth of 2% to 3% per year over the next four years. This would represent an increase by 2023 of approximately three to four thousand cars and approximately {{ }} in revenue. Applicants estimate that there is the potential for additional growth of up to seven thousand cars for additional revenue of up to approximately {{ }}.

Applicants also see opportunities to reduce costs of service by operating more efficiently between CP and the CMQR system as well as over the CMQR. For example, CP currently physically interchanges with CMQR Canada at Iberville east of CP's St-Luc Yard in Montreal. Currently, due to the length of the interchange tracks at Iberville, train length is limited to 4,500 feet. CP expects to modify operations at Iberville to enable longer trains to operate between Applicants. Operating longer trains may in turn reduce the number of main line CMQR trains,

⁹ See e.g., <https://canadiansailings.ca/port-saint-johns-west-side-modernization-project-on-schedule/>

although train frequency will largely depend on actual traffic volumes. Additionally, CMQR would gain access to CP's equipment pool enabling, for example, better alignment of locomotive horsepower to operations on CMQR's system, more flexibility on train lengths and speed, and improving CMQR's fuel efficiency. Further, CP expects that both CMQR and CP would be able to perform pre-blocking of traffic for each other, which would create additional operating efficiencies and cost savings.

To provide faster and more efficient service and ensure safe operations, CP plans to invest in CMQR's infrastructure. CP's preliminary estimate is that Applicants will spend as much as \$75 million or more over the next three years as part of a capital plan to upgrade the condition of much of the CMQR system to FRA Class 3 standards (or Canadian equivalent standards on CMQR Canada). CP anticipates that this capital plan will include extensive tie replacement, rail replacement, joint elimination, shoulder cleaning, and switch and grade crossing upgrades. These investments will bring much of the CMQR system up to CP standards, allow Applicants to operate at speeds above 40 MPH and further improve safety. The faster operating speeds should reduce the number of train crews required, reduce cycle times, improve equipment utilization and improve the reliability and consistency of service.

These planned capital investments highlight another important public benefit of the Transaction; namely, it would place the CMQR system in the hands of a Class I railroad. In doing so, as James Clements and Ryan Ratledge explain in their respective Verified Statements, the Transaction helps ensure that CMQR will have access to capital, as well as other Class I resources, needed to operate safely and efficiently, and to grow. For example, the Transaction will provide CMQR access to the capital needed to, among other things, make the track upgrades discussed

above and maintain the track in good operating condition. It will also provide CMQR capital to work with shippers to develop potential new business opportunities.

Applicants have identified additional opportunities to lower costs by consolidating some back office functions. Applicants expect these opportunities to yield modest synergies of approximately {{ }}.

Integration of CP and the CMQR system poses no operational risk. The two carriers' lines meet at only one point. They already interchange a significant amount of CMQR's traffic. Any modification to the interchange operations will improve efficiency so as to make CP-CMQR operations seamless. Integration of IT functions can likewise be consolidated without material risk of service disruption.

(iv) The nature and amount of any new securities or other financial arrangements.

No new securities will be issued in connection with the Transaction. The only relevant financial arrangement is the payment of the purchase price by Soo Line Corp as provided in the Merger Agreement (see section 1180.6(a)(2)(ii), below).

(a)(2) A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including

(i) The effect of the transaction on inter- and intramodal competition, including a description of the relevant markets (see § 1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.

As James Clements explains in his Verified Statement, the Transaction will have no negative competitive impacts and there will be no lessening of competition. This conclusion is compelled by four facts.

First, the Transaction is end-to-end. CP and CMQR meet at a single location at St-Jean sur Richelieu, Quebec east of Montreal. This is eastern terminus of CP's system and the western

terminus of CMQR's system. Neither has lines that are parallel or duplicative of the other's system. In fact, the CMQR line going east from St-Jean sur Richelieu to Brownsville Junction, ME was once part of the CP system.

Second, there are no two-to-one rail shippers. No shipper is served by both CP and CMQR. Accordingly, no shipper will lose competitive option as a result of the Transaction.

Third, CMQR US will continue to maintain interline service agreements with Class II and Class III carriers with whom it currently interchanges traffic. There are several Class II and III railroads in the region including Springfield Terminal Railway/Pan Am Southern ("PAS"), Maine Northern Railway ("MNR"), New Brunswick Southern Railway ("NBSR"), and Vermont Rail System ("VTR") with whom CMQR US interchanges traffic. Post-Transaction, CMQR will continue to do so. Moreover, none of this interline traffic originates or terminates at facilities on these carriers that are directly served by CP.

Fourth, intermodal competition is strong in Maine and Vermont. In fact, approximately 38% of CMQR US traffic consists of commodities that are subject to commodity class exemptions, *i.e.*, the Board has found that the commodities are subject to effective intermodal competition and therefore do not require regulation. Exempt commodities moving on CMQR US include finished wood products, paper and wood pulp, building products, and salt among other commodities. In addition, CMQR faces barge competition between the Port of Searsport and the Port of Saint John and intramodal competition from CN, which also serves Saint John.

Far from lessening competition, the Transaction both preserves and enhances competition. It preserves competition as acquisition of CMQR by another Class I carrier could have precluded CP's ability to continue to compete effectively for traffic that originated or terminated on the CMQR. The Transaction enhances competition by enabling Applicants to provide faster, seamless,

and more economical and efficient service. This in turn, will enable Applicants to compete more vigorously against other rail carriers and other modes in the region. Additionally, the improved service will extend market reach for CP and CMQR customers, providing them direct access to markets on each other's systems, including the import and export markets served by the deep water ports of Seaport and (via haulage) Saint John.

(ii) The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, in any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.

At closing, Soo Line Corp. will pay approximately \$130 million to acquire CMQR US and CMQR Canada, subject to certain adjustments for working capital, cash on hand, debt, and certain transaction costs in accordance with the Merger Agreement.

As described in the Verified Statement of James Clements and the Operating Plan (Exhibit 15), Applicants have identified opportunities to operate more economically. These opportunities include modifying the interchange at Iberville to enable longer trains to be operated on the CMQR system, pre-blocking cars, better alignment of locomotive power to tonnage, and improved track infrastructure enabling increased train speed and improved fuel efficiency. CP expects that faster and more economical, efficient, and streamlined operations will result in an volume growth of three to four thousand cars by 2023 accounting for {{ }} in revenue with a potential for up to seven thousand additional cars for an additional revenue increase of approximately {{ }}.

(iii) The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.

Soo Line Corp will incur no increase in fixed charges (*i.e.*, interest and other financial charges) as a result of the Transaction.

(iv) The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.

As described further in the Verified Statements of James Clements and Ryan Ratledge, the Transaction will preserve the pre-Transaction competitive status quo. After the Transaction, CMQR US will continue to provide the rail transportation services that it currently provides, including to local and overhead customers. No diversion of traffic from other railroads or transportation modes is anticipated that might adversely affect essential rail services provided by other carriers.

(v) The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.

No current CP employee in the United States will be adversely affected by the proposed transaction. As detailed in the Labor Impact Exhibit set forth as Attachment A to the Operating Plan, CMQR employs 94 people in various locations in Maine, Vermont, and Ohio.¹⁰ The effect of the transaction on CMQR US's employees is addressed in the Operating Plan.

Employees adversely affected by the Transaction will be entitled to the employee protective conditions and other procedures adopted in *New York Dock--Control--Brooklyn Eastern District Terminal*, 360 I.C.C. 60, *aff'd sub nom. New York Dock Ry. V. United States*, 609 F.2d 83 (2d Cir. 1979).

(vi) The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.

Inclusion is not available as a form of relief in a minor transaction. As there will be no anticompetitive effects, there would be no basis for including another railroad in the Transaction.

¹⁰ Pursuant to a rail service contract with Ohio River Partners—the owner and common carrier on the line—CMQR operates the Hannibal subdivision, a 12-mile line in Ohio.

(a)(3) Any other supporting or descriptive statements applicants deem material.

The Transaction enjoys strong support from a broad array of stakeholders. Attached to this Application are support letters from more than xx shippers, as well as the Maine Department of Transportation, the Port of Searsport, Maine, and marine carriers serving the Port. Supportive shippers include Sprague Energy which owns and operates the liquid-bulk pier at Searsport and several shippers directly served by CMQR.

(a)(4) An opinion of applicants' counsel that transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.

An opinion of Soo Line Corp's counsel is provided in Appendix 1, stating that the Transaction meets the requirements of law and will be legally authorized and valid, if approved by the Board.

(a)(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

Soo Line Railroad Company, a Minnesota corporation and wholly owned carrier subsidiary of Applicant Soo Line Corp, operates or possesses property rights in Illinois, Indiana, Kentucky, Michigan, Minnesota, Montana, Ohio, North Dakota, South Dakota, and Wisconsin.

Dakota, Minnesota & Eastern Railroad Corporation, a Delaware corporation and wholly owned carrier subsidiary of Applicant Soo Line Corp, operates or possesses property rights in Illinois, Iowa, Missouri, Kansas, Wisconsin, South Dakota, Wyoming, and Minnesota.

Delaware and Hudson Railway Company, Inc., a Delaware corporation and wholly owned carrier subsidiary of Applicant Soo Line Corp, operates or possesses property rights in New York and Pennsylvania.

Applicant Central Maine & Quebec Railway US Inc. operates or possesses property rights in Maine and Vermont.

(a)(a)(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

Exhibit 1 contains Map A showing the lines of the CP system; Map B showing the lines of the CMQR system; and Map C showing the lines' mileage information for the CMQR system.

(a)(7) Explanation of the transaction.

(i) Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).

Soo Line Corp seeks authority from the Board to acquire and control CMQR US, as described in section 1180.6(a)(1)(i) above. The consideration for the purchase of CMQR US and other property in Canada is set forth in section 1180.6(a)(2)(ii), above.

(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at § 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

A redacted copy of the Merger Agreement is provided in Exhibit 2 to the public version of the Application. An unredacted copy of the Merger Agreement is being submitted under seal pursuant to the Protective Order served by the Board on December 3, 2019.

(iii) If a consolidation or merger is proposed, indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of capital stock and other securities to be issued.

As described in the Merger Agreement attached hereto as Exhibit 2, the Transaction will be carried out through a merger of Black Bear with and into RAH, which owns all of the outstanding common stock of CMQR US, a Delaware corporation. RAH will be the surviving

limited liability company and will become a wholly owned subsidiary of Soo Line Corp. CMQR US continue to be a wholly owned subsidiary of RAH, and will become an indirect subsidiary of Soo Line Corp. CMQR's common stock is not now publically traded and will not be traded after the merger becomes effective.

(iv) Court order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.

Not applicable.

(v) State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.

The Transaction involves all of the property of CMQR US. A detailed description of the property involved in the acquisition of CMQR US for which Soo Line Corp is seeking acquisition and operating authority is listed in section 1180.6(a)(1)(i) above, and in section 1180.6(a)(7)(vi) below (concerning property in the United States).¹¹

(vi) Briefly describe the principal routes and terminal of lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.

CMQR US owns and operates approximately 244.2 miles of rail lines in Vermont and Maine, and has the right to operate on approximately 57.25 miles of rail line pursuant to a lease with the State of Maine's Department of Transportation, for a total of approximately 301.45 route miles, comprised of the following:

- (1) The rail line beginning at a point in the vicinity of Searsport, ME, designated on CMQR US's system map as Milepost 0.0± of CMQR US's Bangor Subdivision and continuing north through the state of Maine through Brownville Junction to a point in the

¹¹ Applicants anticipate that CMQR US's Katahdin Railcar Services (KRS) car cleaning facility will be included in the property conveyed in the Transaction. At the time of filing, however, an agreement on KRS has not been finalized.

vicinity of Millinocket, ME designated as Milepost 109.00± of CMQR US's Millinocket Subdivision, a distance of approximately 109 miles.

(2) The rail line beginning at a point in the vicinity of Millinocket, ME designated on CMQR US's system map as Milepost 0.0± of the East Millinocket Subdivision and continuing southeast to East Millinocket, ME to a point designated as Milepost 6.19± of CMQR US's East Millinocket Subdivision, a distance of approximately 6.19 miles.

(3) The rail line beginning at a point in the vicinity of Brownville Junction, ME, designated on CMQR US's system map as Milepost 0.0± on CMQR US's K.I. Subdivision and continuing to a point in the vicinity of Brownville Junction, ME designated as Milepost 4.0± of the K.I. Subdivision, a distance of approximately 3.74 miles.

(4) The rail line beginning in the vicinity of Brownville Junction, ME from a point of connection with Eastern Maine Railway Company designated on CMQR US's system map as Milepost 0.0± of CMQR US's Moosehead Subdivision and continuing west to the United States/Canada border near Skinner, ME, designated as Milepost 101.80± of the Moosehead Subdivision, a distance of approximately 101.8 miles.

(5) The rail line beginning at the United States/Canada border crossing in the vicinity of Richford, VT designated on CMQR US's system map as Milepost 26.25± of CMQR US's Newport Subdivision. The line crosses back into Canada at Milepost 32.63± and enters the US again at Milepost 43.32± near North Troy, VT. The line continues south to a point in the vicinity of Newport, VT, designated as Milepost 60.4± at the end of the Newport Subdivision. The total length of the Newport Subdivision line in the US is approximately 23.47 miles.

(6) The rail line leased from the Maine Department of Transportation beginning in the vicinity of Brunswick, ME designated on CMQR US's system map as Milepost 29.40± of CMQR US's Rockland Subdivision and continuing to a point in the vicinity of Rockland, ME designated as Milepost 86.65± of the Rockland Subdivision, a distance of approximately 57.25 miles.¹²

CMQR US interchanges with five other rail carriers in the United States: Canadian National Railway ("CN") and Maine Northern Railway Company ("MNR") at Millinocket, ME; Springfield Terminal Railway Company ("ST")/Pan Am Southern ("PAS") at Brunswick, ME and Northern Maine Junction, ME; New Brunswick Southern Railway Co. Ltd. ("NBSR")/Eastern Maine Railway Company Limited ("EMRY") at Brownville Junction, ME; and Vermont Rail System ("VTR") at Newport, VT.

(vii) State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.

No governmental financial assistance is involved in the Transaction.

(a)(8) Environmental data. Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transaction, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Office of Environmental Analysis for the proper format of the environmental report.

No environmental data is required under 49 C.F.R. part 1105 because, as indicated by the Operating Plan (attached as Exhibit 15), the Transaction will not result in a significant increase in carrier operations, and in particular will not lead to operational changes exceeding the Board's thresholds for environmental analysis (set forth in 49 C.F.R. § 1105.7(e)(4) and (5)). See 49 C.F.R. § 1105.6(c)(1).

¹² The total approximate mileage of 301.45 is the sum of the mileages on the individual segments. Milepost numbers do not necessarily reflect exact mileage, and therefore the mileage of certain segments may be slightly different than the number calculated based upon milepost numbers.

Environmental Assessments are required for a merger or acquisition of control that results in “operational changes that would exceed any of the thresholds established in § 1105.7(e)(4) or (5).” 49 C.F.R. § 1105.6(b)(4)(i). Section 1105.7(e)(4)(iv) sets applicable thresholds regarding the Transaction’s changes in the use of energy, requiring reporting if the Transaction will cause any diversions from rail to motor carriage of more than:

(A) 1,000 rail carloads a year; or

(B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given. To minimize the production of repetitive data, the information on overall energy efficiency in § 1105.7(e)(4)(iii) need not be supplied if the more detailed information in § 1105.7(e)(4)(iv) is required.

49 C.F.R. § 1105.7(e)(4)(iv). The transaction is expected to result in no diversion of traffic from rail to motor carriage.

Section § 1105.7(e)(5) established lower reporting thresholds for railways located in any Class I or Nonattainment areas under the Clean Air Act. The regulation states the following thresholds for attainment areas, and if the proposed action results in the exceedance of any of these thresholds, an Environmental Assessment must be prepared:

(A) An increase in rail traffic of at least 100 percent (measured in ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or

(B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or

(C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10502) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.

49 C.F.R. § 1105.7(e)(5)(i). None of the CMQR US lines are located in a nonattainment area or in a Class I protected area. Accordingly, the lower thresholds do not apply. In any event, the

changes in train operations, yard activity and truck traffic as a result of the Transaction are expected to remain well below the thresholds for Class I and nonattainment areas.

As described in the Operating Plan, Applicants expect little change in the number of trains on CMQR US as a result of this Transaction. Likewise, Applicants forecast modest volume growth. Even under the most aggressive forecast of up to an additional {{
}} by 2023, the additional trains and ton miles would remain well below the Board's thresholds for environmental reporting. In addition, there are no planned abandonments, discontinuances, or other actions that would divert rail traffic to motor carriage or otherwise increase truck traffic on any affected road segment. See 49 C.F.R. §§ 1105.7(e)(4)(iv), (5)(i)(C). And the Operating Plan anticipates no material changes to rail yard activity on the CMQR US lines and therefore does not propose any operational change that exceeds the Board's standards in 49 C.F.R. § 1105.7(e)(5)(i)(B).

As none of the Board's stated thresholds will be exceeded due to the Transaction, no environmental documentation (*i.e.*, environmental assessment or environmental impact statement) is anticipated and thus no environmental reporting is required under 49 C.F.R. §1105.6(c)(1)(i).

Similarly, no historical reporting is required under 49 C.F.R. §1105.8, because the Transaction is "for the purpose of continued rail operations where further STB approval is required to abandon any service and there are no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older." 49 C.F.R. §1105.8(b)(1).

1180.8. Operational Data

(a) For minor transactions: Operating plan-minor (exhibit 15). Discuss any significant changes in patterns or types of service as reflected by the operating plan expected to be used after consummation of the transaction. Where relevant, submit information related to the following:

See attached Operating Plan (Exhibit 15).

1180.11 Transnational and other informational requirements

(a) For applicants whose systems include operations in Canada or Mexico, applicants must explain how cooperation with the Federal Railroad Administration would be maintained to address potential impacts on operations within the United States of operations or events elsewhere on their systems.

The family of CP operating railroad companies include, in Canada, the Canadian Pacific Railway Company (“CPRC”). In the United States, it includes a Class I railroad, the Soo Line Railroad Company, and two Class II railroads, the Dakota, Minnesota & Eastern Railroad Corporation and the Delaware and Hudson Railway Company, Inc. These companies operate approximately 4,800 miles of track in the United States which connect with the approximately 7,700 miles that CPRC operates in Canada. The United States operating companies cooperate with the Federal Railroad Administration (“FRA”) on a wide variety of safety issues at both a local level through local operating personnel and at a national level through appropriate headquarters personnel. Cooperation with the FRA to address potential impacts on CMQR US operations of operations or events that occur on CP’s Canadian system will be maintained consistent with current handling of these issues for existing CP operating railroad companies in the United States.

(b) All applicants must assess whether any restrictions or preferences under foreign or domestic law or policies could affect their commercial decisions, and discuss any ownership restrictions applicable to them.

None.

CONCLUSION

Soo Line Corp and CMQR US respectfully request that the Board accept the Application, determine that the Transaction described in it is a minor transaction, and grant this Application.

Dated: December 17, 2019

Respectfully submitted,

/s/ David F. Rifkind

David F. Rifkind

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Suite 800

Washington, D.C. 20006

(202) 969-4218

david.rifkind@stinson.com

Counsel for Soo Line Corporation

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Sidley Austin LLP

1501 K Street, N.W. #600

Washington, DC 20005

(202) 736-8198

thynes@sidley.com

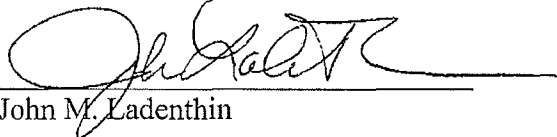
Counsel for Central Maine & Quebec

Railway US Inc.

**SIGNATURE OF APPLICANT'S OFFICER
(SECTION 1180.4(c)(2)(i))**

SOO LINE CORPORATION

I, John M. Ladenthin, declare under penalty of perjury that I am the Vice President, Finance of Applicant Soo Line Corporation. I am duly authorized to sign, to verify, and to file this Application on behalf of Soo Line Corporation. The statements in this Application are true and correct to the best of my knowledge and belief.

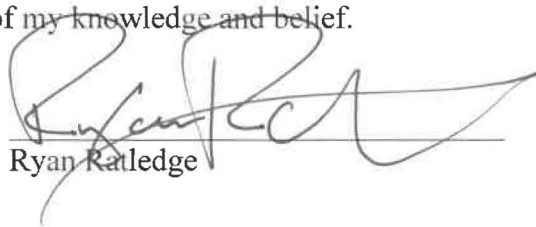

John M. Ladenthin

Dated this 16 day of December, 2019

**SIGNATURE OF APPLICANT'S OFFICER
(SECTION 1180.4(c)(2)(i))**

CENTRAL MAINE & QUEBEC RAILWAY US, INC.

I, Ryan Ratledge, declare under penalty of perjury that I am the President and Chief Executive Officer of Central Maine & Quebec Railway US, Inc. (CMQR"). I am duly authorized to sign, to verify, and to file this Application on behalf of CMQR. The statements in this Application are true and correct to the best of my knowledge and belief.



Ryan Ratledge

Dated this 11 day of December, 2019

CERTIFICATE OF ASSISTANT SECRETARY
(Section 1180.4(c)(2)(i))

SOO LINE CORPORATION
(THE "CORPORATION")

I, Maria Barkovic, in my capacity as the Assistant Secretary of the Corporation, and not in an individual capacity and without personal liability, and having knowledge of the matters herein contained, hereby certify that as of the date hereof, John M. Ladenthin holds the title of Vice President, Finance, and as such is authorized under the Corporation's approval and execution authorities to execute and deliver in the name and on behalf of the Corporation the Application appended hereto.

DATED this 16 day of December, 2019.

A handwritten signature in black ink, appearing to read 'Maria Barkovic', is written over a horizontal line.

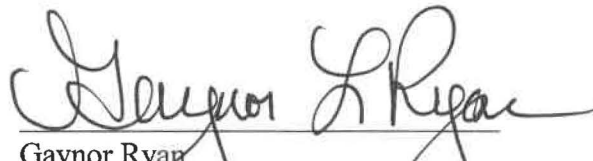
Maria Barkovic
Assistant Secretary

**CERTIFICATE OF CHIEF ADMINISTRATIVE OFFICER
(Section 1180.4(c)(2)(i))**

CENTRAL MAINE & QUEBEC RAILWAY US, INC.

I, Gaynor Ryan, in my capacity as the Chief Administrative Officer of Central Main & Quebec Railway US, Inc. (CMQR”), and not in an individual capacity and without personal liability, and having knowledge of the matters herein contained, hereby certify that as of the date hereof, Ryan Ratledge holds the title of President and Chief Executive Officer, and as such is authorized under the Corporation’s approval and execution authorities to execute and deliver in the name and on behalf of the Corporation the Application appended hereto.

DATED this 11 day of December, 2019.


Gaynor Ryan
Chief Administrative Officer

CERTIFICATE OF SERVICE

I hereby certify that I have this 17th day of December, 2019, caused the public version of the foregoing Application (CP-2) in Docket No. FD 36368, *Soo Line Corporation—Control—Central Maine & Quebec Railway US Inc.*, including all exhibits, appendices, and other attachments thereto, to be served upon the following parties by First Class Mail:

The Honorable William P. Barr
Office of the Attorney General
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

The Honorable Bruce A. Van Note
Commissioner
Maine Department of Transportation
24 Child Street
16 SHS
Augusta, ME 04333-0016

The Honorable Elaine L. Chao
Secretary of Transportation
Office of the Secretary
United States Department of Transportation
1200 New Jersey Ave., SE, 9th Floor
Washington, DC 20590

The Honorable Philip L. Bartlett II
Chairman
Maine Public Utilities Commission
18 State House Station
Augusta, ME 04333-0018

The Honorable Joseph J. Simons
Office of the Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

The Honorable Joe Flynn
Secretary
Vermont Agency of Transportation
219 N. Main Street
Barre, VT 05641

The Honorable Janet T. Mills
Office of the Governor
State of Maine
#1 State House Station
Augusta, ME 04333-0001

The Honorable June E. Tierney
Commissioner
Vermont Department of Public Service
112 State Street
Montpelier, VT 05620-2601

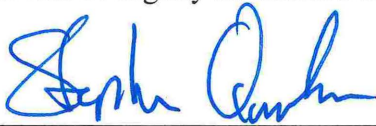
The Honorable Phil Scott
Office of the Governor
State of Vermont
109 State Street, Pavilion
Montpelier, VT 05609



Jean-Marie Jones

APPENDIX I
OPINION OF APPLICANT'S COUNSEL

As counsel for Applicant Soo Line Corporation, I have reviewed the foregoing Application and am generally familiar with the transaction proposed therein. It is my opinion that the proposed transaction meets the requirements of the law, is within the corporate powers of the Applicant, and will be legally authorized and valid, if approved by the Surface Transportation Board.



Stephen M. Quinlivan
Partner
Stinson LLP

Dated as of this day of 12th, December 2019, Minneapolis, Minnesota.

Exhibit 1

Maps



Rail Industry Index			
AGR	Alabama & Gulf Coast Railway	ISRR	Indiana Southern Railroad
AMTK	Amtrak	KAW	KAW River Railroad
APU	Albany Port Railroad	KCS	Kansas City Southern
APA	Albany Port Authority	KCT	Kansas City Terminal Railway
APNC	Appanoose County Community Railroad	KIR	Kettle Falls International Railway
APA	Alberta Prairie Railway Exchanges	KRW	Keweenaw Railway
BCR	British Columbia Railway Company	LOR	Louis Creek Railroad
BCRY	Barrie-Collingwood Railway	LUR	Louisville & Indiana Railroad
BKML	BNSF Manitoba	LUN	Lake Line Railroad
BNSF	BNSF Railway	LMB	Last Mountain Railway
BPBR	Buffalo & Pittsburgh Railroad	METRA	Chicago Commuter Rail Authority
BK	Belt Railway Company of Chicago	NI	Manufacturers' Junction Railway
BRI	Battle River Railway	MNC	Missouri North Central Railroad
BSOR	Buffalo Southern Railroad	MNRR	Minnesota Commercial Railway
BSR	Big Sky Rail	MIL	Montreal Rail Link Inc.
BTFC	Boundary Trail Railway Company Inc.	NBSR	New Brunswick Southern Railway
BUNGE	Bunge Canada	NCR	Nipissing Central Railway
CBOS	Cape Breton & Central Nova Scotia Railway	NECN	New England Central Railroad
CCSG	Consolidated Community Solution Group	NLR	Norfolk Light Rail
CEMR	Central Manitoba Railway	NS	Norfolk Southern
CFC	Chicago, Ft. Wayne & Eastern Railroad	NSR	North Shore Railroad
CEG	Quebec Central Railway	OSRR	Ontario Southern Railway
CIC	Cedar Rapids & Iowa City Railway	ONR	Ontario Northland Railway
CMI	Central Maine and Quebec Railway	OPR	Ontario Portland Railway
CNO	Central Ontario and Quebec Railway	OTV	Ottawa Valley Railway
CN	Canadian National	PAS	Pan Am Railways
CP	Canadian Pacific	PCBR	Port Colborne Harbour Railway
CR	Consolidated Rail Corp	PGR	Providence & Worcester Railroad
CRL	Chicago Rail Link	PW	Providence & Worcester Railroad



CENTRAL MAINE & QUÉBEC RAILWAY

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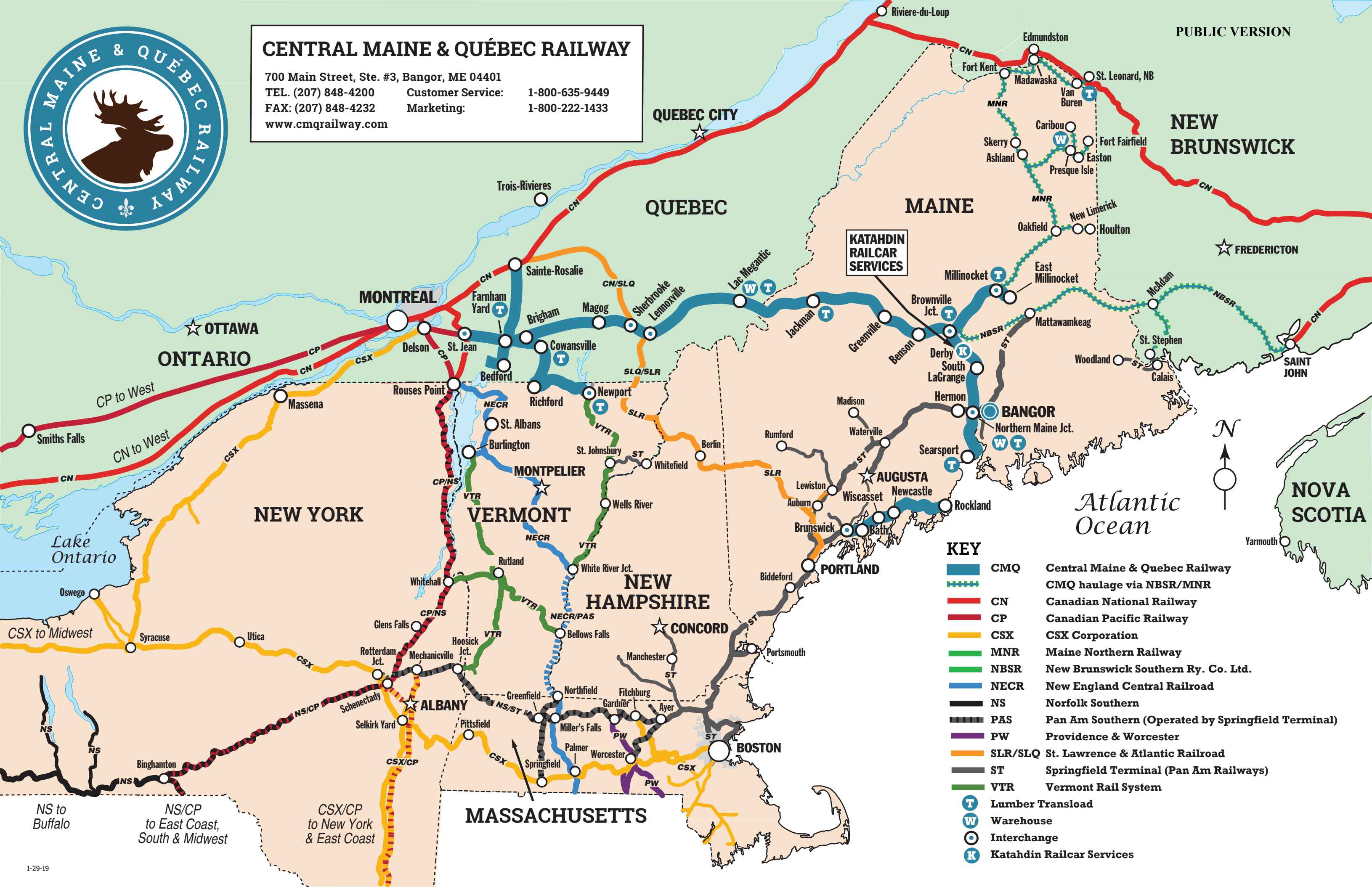
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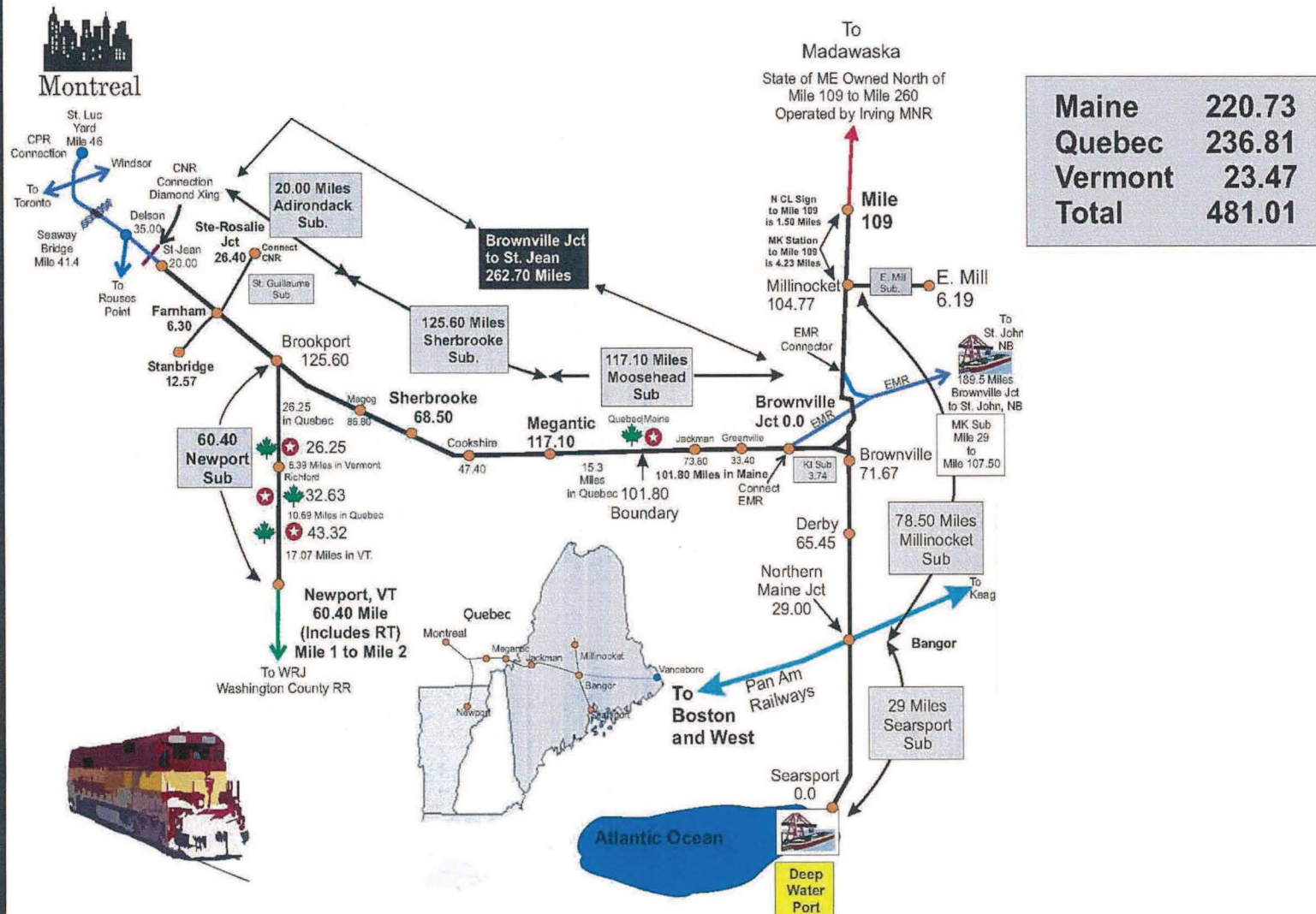


Exhibit 2

Agreement

AGREEMENT AND PLAN OF MERGER

by and among

SOO LINE CORPORATION,

BLACK BEAR ACQUISITION LLC,

RAILROAD ACQUISITION HOLDINGS LLC,

and

FORTRESS WORLDWIDE TRANSPORTATION AND INFRASTRUCTURE
GENERAL PARTNERSHIP

(solely in its capacity as the Seller Representative)

Dated as of November 19, 2019

TABLE OF CONTENTS

Article I. Definitions and Interpretation.....	2
Section 1.01. Definitions	2
Section 1.02. Interpretation	15
Article II. The Merger.....	15
Section 2.01. The Merger	15
Section 2.02. Closing.....	15
Section 2.03. Effective Time.....	16
Section 2.04. Effect of the Merger	16
Section 2.05. Certificate of Formation and Limited Liability Company Agreement	16
Section 2.06. Directors and Officers	16
Section 2.07. Other Closing Deliverables	16
Section 2.08. Pre-Closing Statement.....	18
Section 2.09. Consideration Spreadsheet	18
Section 2.10. Allocation of the Purchase Price	18
Article III. Effect of the Merger on the Units	18
Section 3.01. Conversion of Units.....	18
Section 3.02. Closing Payments	19
Section 3.03. Acceleration of Vesting of Award Units.....	19
Section 3.04. Payments of Closing Date Merger Consideration and Accelerated Award Unit Closing Consideration	20
Section 3.05. Appraisal Rights	21
Section 3.06. Post-Closing Merger Consideration Adjustment and Payments	21
Article IV. Representations and Warranties of the Company.....	25
Section 4.01. Organization and Good Standing; Charter Documents	25
Section 4.02. Authority; Execution and Delivery; Enforceability	25
Section 4.03. Capitalization.....	26
Section 4.04. Company Subsidiaries.....	26
Section 4.05. No Conflict; Required Filings and Consents.....	27
Section 4.06. Compliance.....	28
Section 4.07. Litigation	28
Section 4.08. Company Financial Statements	29

Section 4.09.	No Company Material Adverse Effect	30
Section 4.10.	Taxes	30
Section 4.11.	Title to Properties	31
Section 4.12.	Related Party Agreements	32
Section 4.13.	Employee Benefit Plans	32
Section 4.14.	Labor Relations	35
Section 4.15.	Intellectual Property	36
Section 4.16.	Brokers	37
Section 4.17.	Environmental Matters	37
Section 4.18.	Material Contracts	39
Section 4.19.	Absence of Certain Changes	41
Section 4.20.	No Other Representations or Warranties.....	41
Article V.	Representations and Warranties of Parent and Merger Sub	42
Section 5.01.	Organization, Standing and Power	42
Section 5.02.	Authority; Execution and Delivery; Enforceability	42
Section 5.03.	No Conflicts; Consents.....	43
Section 5.04.	Brokers	44
Section 5.05.	Available Funds.....	44
Section 5.06.	Litigation	44
Section 5.07.	Merger Sub	44
Section 5.08.	Canada Insurance Indemnity	44
Section 5.09.	No Additional Representations; No Reliance	44
Article VI.	Covenants Relating to Conduct of Business.....	46
Section 6.01.	Operation of the Business of the Company and any Company Subsidiary	46
Article VII.	Additional Agreements	49
Section 7.01.	Access to Information	49
Section 7.02.	Reasonable Best Efforts	50
Section 7.03.	Notification.....	54
Section 7.04.	Public Announcements.....	55
Section 7.05.	Employee and Employee Benefit Matters.....	55
Section 7.06.	Indemnification and Insurance	57
Section 7.07.	Repayment of Indebtedness.....	59
Section 7.08.	Fees and Expenses.....	59
Section 7.09.	Transfer Taxes.....	59

Section 7.10.	Tax Certificates and Member Releases	59
Section 7.11.	Tax Returns	60
Section 7.12.	Acquisition Proposals.....	61
Section 7.13.	R&W Insurance Policy.....	61
Section 7.14.	Pre-Closing Taxes	61
Section 7.15.	Certain Events	62
Section 7.16.	Section 280G Approval	62
Section 7.17.	Derby Facility License and Katahdin Transition Services Agreement	63
Article VIII.	Conditions to Closing	63
Section 8.01.	Conditions to Each Party’s Obligations to Effect the Closing	63
Section 8.02.	Conditions to Obligations of Parent and Merger Sub ...	64
Section 8.03.	Conditions to Obligations of the Company	64
Article IX.	Termination, Amendment and Waiver	65
Section 9.01.	Termination	65
Section 9.02.	Effect of Termination	66
Section 9.03.	Amendment	66
Section 9.04.	Extension; Waiver	66
Section 9.05.	Survival	66
Article X.	General Provisions	67
Section 10.01.	Notices.....	67
Section 10.02.	Severability.....	68
Section 10.03.	Counterparts	68
Section 10.04.	Entire Agreement; No Third-Party Beneficiaries.....	68
Section 10.05.	Governing Law	68
Section 10.06.	Assignment.....	68
Section 10.07.	Enforcement; Jurisdiction; Consent to Service of Process	68
Section 10.08.	Affiliate Liability.....	69
Section 10.09.	Seller Representative.....	69
Section 10.10.	Legal Representation.....	71

Exhibits

Exhibit A	Form of Escrow Agreement
Exhibit B	Example Working Capital Calculation
Exhibit C	Form of Certificate of Merger
Exhibit D	Form of Letter of Transmittal
Exhibit E	Form of Member Release Agreement
Exhibit F	Form of Termination and Release Agreement
Exhibit G	Form of R&W Insurance Policy
Exhibit H	Form of Voting Trust
Exhibit I	Form of Hannibal Termination Agreement
Exhibit J	Term Sheet for Katahdin Transition Services Agreement
Exhibit K	Term Sheet for Derby Facility License
Exhibit L	Purchase Price Allocation

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this “Agreement”) dated as of November 19, 2019, is by and among SOO LINE CORPORATION, a Minnesota corporation (“Parent”), BLACK BEAR ACQUISITION LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent (“Merger Sub”), RAILROAD ACQUISITION HOLDINGS LLC, a Delaware limited liability company (the “Company”) and FORTRESS WORLDWIDE TRANSPORTATION AND INFRASTRUCTURE GENERAL PARTNERSHIP, a Delaware general partnership, solely in its capacity as the Seller Representative (as defined below) and only for the express purpose provided herein and no other purpose.

WHEREAS, the parties hereto intend that, upon the terms and subject to the conditions set forth herein, at the Effective Time, Merger Sub will merge with and into the Company after which the Company would be the surviving limited liability company and would become a wholly owned subsidiary of Parent (the “Merger”) in accordance with the Delaware Limited Liability Company Act (the “DLLCA”);

WHEREAS, the board of directors of the Company (the “Company Board”) has (a) adopted and declared advisable this Agreement and the Transaction, including the Merger, (b) determined that the terms of this Agreement and the Transaction, including the Merger, are fair to and in the best interests of the Company and its members and (c) resolved to recommend that the members of the Company approve this Agreement and the Transaction, including the Merger;

WHEREAS, Parent, as the sole member and governing authority of Merger Sub, has (a) adopted and declared advisable this Agreement and the Transaction, including the Merger and (b) determined that the terms of this Agreement and the Transaction, including the Merger, are fair to and in the best interests of Merger Sub and its sole member;

WHEREAS, concurrently with the execution of this Agreement and as a condition to the willingness of the Company to enter into this Agreement, Canadian Pacific Railway Company (“Guarantor”) has entered into a guaranty (the “Guaranty”), pursuant to which the Guarantor is guaranteeing the obligations of Parent and Merger Sub under this Agreement;

WHEREAS, concurrently with the execution of this Agreement, members of the Company holding at least a majority of the Units (excluding Common Units that have not vested pursuant to the terms of any Common Unit Award Agreement) have executed a written consent approving this Agreement and the Transaction (the “Company Member Approval”); and

WHEREAS, Parent, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Transaction, including the Merger.

Accordingly, the parties hereby agree as follows:

ARTICLE I.

Definitions and Interpretation

SECTION 1.01. Definitions. For the purposes of this Agreement:

“280G Approval” has the meaning set forth in Section 7.16.

“Accelerated Award Unit Closing Consideration” means an amount equal to (a) the Closing Date Per Common Unit Merger Consideration multiplied by (b) the total number of Accelerated Award Units.

“Accelerated Award Unit Holder” means each employee of CMQR US that receives Common Units delivered immediately prior to the Effective Time pursuant to Section 3.03.

“Accelerated Award Units” means the Common Units delivered immediately prior to the Effective Time pursuant to Section 3.03.

“Accelerated Common Unit Award Agreements” means the agreements set forth in Section 1.01-A of the Company Disclosure Letter.

“Accounting Principles” means GAAP applied in a manner consistent with the principles, practices, assumptions, policies, methodologies and judgments used by the Company in the preparation of the Company Financial Statements.

“Acquired Company Fraud” means that (a) a representation or warranty made by the Company in Article IV was false when made, (b) to the Knowledge of the Company, such representation or warranty was false when made, (c) at the time such representation or warranty was made, the Company had the intent to induce Parent and Merger Sub to consummate the Transaction based upon such false representation or warranty, and (d) Parent and Merger Sub acted in justifiable reliance on such false representation or warranty.

“Action” means any claim, suit, action, proceeding, litigation, administrative charge, investigation or arbitration.

“Adjustment Amount” means the net amount (which may be positive or negative) of all increases and decreases to the Closing Date Merger Consideration pursuant to Section 3.06(c).

“Affiliate” of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person. For the purposes of this definition, “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Agreement” has the meaning set forth in the Preamble.

“Ancillary Agreements” means the Escrow Agreement, the Guaranty, and any other document, agreement, certificate or instrument entered into in connection with this Agreement and the Transaction.

“Announcement” has the meaning set forth in Section 7.04.

“Annual Financial Statements” has the meaning set forth in Section 4.08(a).

“Award Unit” means each restricted unit relating to Common Units granted pursuant to an Accelerated Common Unit Award Agreement.

“Benefit Plan” has the meaning set forth in Section 4.13.

“Business Day” means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

“Calculation Time” means 11:59 p.m. (Eastern time) on the Closing Date.

“Canada Insurance Indemnity” has the meaning set forth in Section 5.08.

“Casualty Loss” means the physical loss or physical damage to property or assets of the Company after the date hereof but prior to the Closing that is caused by a hurricane, storm, tropical depression, earthquake, flood, other natural disasters, acts of God, weather related events, fires, explosions, derailments or any other similar events.

“CERCLIS” means the Comprehensive Environmental Response, Compensation and Liability Information System.

“Certificate of Fitness” means CMQR Canada’s Certificate of Fitness No. 14001, as amended by 14001-1.

“Certificate of Merger” has the meaning set forth in Section 2.03.

“Claim” means any threatened or actual Action related to acts or omissions that are the subject of Section 7.06.

“Closing” has the meaning set forth in Section 2.02.

“Closing Date” has the meaning set forth in Section 2.02.

“Closing Date Cash and Cash Equivalents” means the aggregate fair market value (expressed in United States dollars) of the Company’s and the Company Subsidiaries’ cash and cash equivalents as defined by and determined in accordance with the Accounting Principles (including marketable securities, bank account deposits, undeposited funds, short term investments and checks and wires deposited but not yet cleared or available) and for the avoidance of doubt, net of any uncleared outstanding checks and wires as of the Calculation Time.

“Closing Date Indebtedness” means the aggregate Indebtedness of the Company and the Company Subsidiaries as of immediately prior to the consummation of the Closing.

“Closing Date Merger Consideration” means (a) the Purchase Price, plus (b) Estimated Cash and Cash Equivalents, plus (c) the amount, if any, by which the Estimated Working Capital exceeds the Target Working Capital, minus (d) the amount, if any, by which the Estimated Working Capital is less than the Target Working Capital, minus (e) the Estimated Closing Date Indebtedness, minus (f) the Estimated Unpaid Selling Expenses, minus (g) the Escrow Amount.

“Closing Date Per Common Unit Merger Consideration” means, with respect to each Common Unit (including, for the avoidance of doubt, the Accelerated Award Units), the amount that would be distributed with respect to such Common Unit if the Closing Date Merger Consideration was distributed in accordance with Section 5.02 of the Company Agreement.

“Closing Date Per Preferred Unit Merger Consideration” means, with respect to each Preferred Unit, the amount that would be distributed with respect to such Preferred Unit if the Closing Date Merger Consideration was distributed in accordance with Section 5.02 of the Company Agreement.

“Closing Statement” has the meaning set forth in Section 3.06(a).

“CMQR Canada” means Central Maine & Québec Railway Canada Inc., a Quebec corporation.

“CMQR US” means Central Maine & Quebec Railway US Inc., a Delaware corporation.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“Code” means the Internal Revenue Code of 1986, as amended, or any amending or superseding Tax laws of the United States of America.

“Common Unit” has the meaning set forth in the Company Agreement.

“Common Unit Award Agreements” means the agreements set forth in Section 1.01-B of the Company Disclosure Letter.

“Company” has the meaning set forth in the Preamble.

“Company Affiliate” means (a) any director, officer or employee of the Company or any Company Subsidiary and (b) any holder of Units, the Company’s Affiliates (other than the Company and the Company Subsidiaries) and any of their respective Representatives.

“Company Agreement” means the Amended and Restated Limited Liability Company Agreement of the Company dated as of December 19, 2014, as amended from time to time to the date of this Agreement.

“Company Board” has the meaning set forth in the Recitals.

“Company Charter” has the meaning set forth in Section 4.01(b).

“Company Disclosure Letter” means the disclosure letter delivered by the Company to Parent in connection with the execution and delivery by the parties of this Agreement. The Company Disclosure Letter shall be arranged in numbered and lettered sections and subsections corresponding to the numbered and lettered sections and subsections contained in Articles IV and VI. The disclosure in any section or subsection of the Company Disclosure Letter shall be deemed to qualify other sections and subsections of Articles IV and VI to the extent that it is reasonably apparent from the face of such disclosure that such disclosure also qualifies or applies to such other sections and subsections.

“Company Employee” has the meaning set forth in Section 4.13(a).

“Company Financial Statements” has the meaning set forth in Section 4.08(a).

“Company Material Adverse Effect” means any fact, change, event, circumstance, occurrence, effect or development that has or is reasonably likely to have a material adverse effect on the business, financial condition or results of operations of the Company and the Company Subsidiaries, taken as a whole; *provided, however*, that a Company Material Adverse Effect will not include or be deemed to result from any effect, either alone or in combination with any other effect, directly or indirectly, arising out of, relating to or attributable to (and none of the following shall be taken into account in determining whether there has been or will be a Company Material Adverse Effect): any fact, change, event, circumstance, occurrence, effect or development (a) generally affecting (i) the economy or political, social, regulatory, business, economic, financial, credit, commodity or capital market conditions in the United States, including changes in interest or exchange rates, monetary policy or inflation or (ii) the industries in which the Company and any Company Subsidiary operate; or (b) to the extent arising out of, resulting from or attributable to (i) the negotiation, execution or Announcement of this Agreement or the Ancillary Agreements, or the pendency of the Transaction, including any Action resulting therefrom, any reduction in revenues resulting therefrom, any impact on relationships with suppliers, customers, distributors, employees, financing sources, partners or similar relationships resulting therefrom, (ii) any change resulting or arising from the identity of, or any facts or circumstances relating to, Parent or any of its Affiliates, including any change in the terms or availability of financing undertaken by Parent or any of its Affiliates, (iii) the compliance with the terms of this Agreement, any Ancillary Agreement (as if such Ancillary Agreement was in effect), including the consummation of the Pre-Closing Reorganization, or applicable Law or the taking of any action (or the omission of any action) required or contemplated by this Agreement, any Ancillary Agreement, any applicable Law or otherwise at the request or with the consent of Parent or Merger Sub, (iv) any acts undertaken by Parent or any of its Affiliates, (v) acts of war (whether or not declared), military activity, acts of armed hostility, civil disobedience, sabotage or terrorism or other international or national calamity or any worsening or escalation of such conditions, (vi) any adoption, proposal or implementation of, or change or prospective changes in, any applicable Law after the date hereof or any interpretation or enforcement thereof by any Governmental Entity, (vii) changes or prospective changes in GAAP or in accounting standards after the date hereof or any interpretation or enforcement thereof by any Governmental Entity, (viii) any failure by the Company or any Company Subsidiary to meet any estimates of revenues, earnings, projections or other indicia of performance, whether published, internally prepared or provided to Parent or any of its respective Representatives; *provided, however*, that the facts and circumstances underlying any such failure may, except as may be provided in the other clauses of

this definition, be considered in determining whether a Company Material Adverse Effect has occurred, (ix) any information, item or matter disclosed in the Company Disclosure Letter, other than information included in a supplement to, or other amendment or modification of, the Company Disclosure Letter delivered by the Company to Parent pursuant to Section 7.17, or (x) the cancellation or suspension of the Certificate of Fitness or the Existing Railway Operating Certificate in response to, or as a result of, any action or failure to act of Parent, Merger Sub or any of their Affiliates in connection with the CTA Approval or the TC Approval; *except* with respect to the foregoing clauses (a) and (b)(v) through (vii) to the extent such facts, changes, events, circumstances, occurrences, effects or developments have a disproportionate effect on the Company and the Company Subsidiaries, taken as a whole, relative to similarly situated companies in the industries in which the Company and the Company Subsidiaries operate.

“Company Member Approval” has the meaning set forth in Recitals.

“Company Subsidiary” means any legal entity of which the Company, as of the date hereof, directly or indirectly, owns, or has the power to vote or exercise a controlling influence with respect to, more than half of the capital stock or other ownership interest giving holders the right to do one or both of the following: (a) elect the board of directors or other governing body of that legal entity and (b) receive the net assets of that legal entity available for distribution to holders of all stock or other ownership interests upon liquidation or dissolution of that legal entity; *provided, however*, that Katahdin shall be deemed to not be a Company Subsidiary unless Parent or the Company delivers a written notice to the other pursuant to Section 7.17 (in which case Katahdin shall be deemed to be a Company Subsidiary as of the date of this Agreement, including for purposes of the definition of Company Material Adverse Effect).

“Confidential Information Memorandum” means the Project Black Bear: Confidential Information Presentation dated July 2019 that has been made available to Parent prior to the date hereof.

“Confidentiality Agreement” has the meaning set forth in Section 7.01.

“Consent” means any consent, approval, or Governmental Authorization.

“Consideration Spreadsheet” has the meaning set forth in Section 2.09.

“Continuation Period” has the meaning set forth in Section 7.05(a).

“Continuing Employee” has the meaning set forth in Section 7.05(a).

“Contract” means any written note, bond, mortgage, indenture, contract, agreement, lease, license or other similar instrument or obligation.

“Cost Sharing and Reimbursement Agreement” means the Cost Sharing and Reimbursement Agreement dated effective May 20, 2015 by and among Sponsor, FTAI, and each of FTAI’s direct and indirect subsidiaries party thereto.

“Costs of Repair” means, with respect to property and assets of the Company affected by a Casualty Loss, the lesser of (a) the costs of repair and restoration of such property and assets to

a quality and condition comparable to that existing with respect to such property or assets immediately prior to such Casualty Loss and (b) the cost of replacement of such property and assets.

“CTA” means the Canadian Transportation Agency.

“CTA Approval” means confirmation by CTA of its satisfaction of the adequacy of the liability insurance, including the substituted Canada Insurance Indemnity, as may be required pursuant to the *Canada Transportation Act* and *Railway Third Party Liability Insurance Coverage Regulations* to maintain the Certificate of Fitness in good standing following the Closing.

“Derby Facility License” means a license agreement to be entered into at the Closing by and between CMQR US, as licensor, and Katahdin, as licensee, on the terms set forth in the term sheet attached hereto as Exhibit K and otherwise on terms mutually agreed between the Company and Parent.

“DLLCA” has the meaning set forth in the Recitals.

“Effective Time” has the meaning set forth in Section 2.03.

“Environmental Claims” means Actions, demands, notices of noncompliance, consent orders or consent agreements relating to Environmental Laws, Environmental Permits or Hazardous Substances.

“Environmental Laws” means any Laws or any agreement with any Governmental Entity or other third party, relating to the environment, any Hazardous Substance or the effect of any of the foregoing on human health and safety.

“Environmental Permits” means all Governmental Authorizations relating to or required by Environmental Laws and affecting, or relating to, the business of the Company or any Company Subsidiary as currently conducted.

“Equity Right” means any option, warrant, convertible or exchangeable securities, “phantom” equity right, equity appreciation right, equity-based performance unit, or other similar commitment, Contract, arrangement or undertaking.

“ERISA” has the meaning set forth in Section 4.13.

“Escrow Account” means the account or subaccount set up with the Escrow Agent in which the Escrow Amount is deposited.

“Escrow Agent” means Citibank N.A.

“Escrow Agreement” means the escrow agreement to be entered into at the Closing by and among Parent, the Seller Representative and the Escrow Agent in substantially the form attached hereto as Exhibit A.

“Escrow Amount” means an amount equal to \$1,500,000.

“Estimated Cash and Cash Equivalents” has the meaning set forth in Section 2.08(a)(i).

“Estimated Closing Date Indebtedness” has the meaning set forth in Section 2.08(a)(iii).

“Estimated Unpaid Selling Expenses” has the meaning set forth in Section 2.08(a)(iv).

“Estimated Working Capital” has the meaning set forth in Section 2.08(a)(ii).

“Existing Credit Agreement” means the Credit Agreement dated as of September 18, 2014 among CMQR US, CMQR Canada, the direct and indirect Company Subsidiaries from time to time party thereto as subsidiary guarantors, the several financial institutions from time to time party thereto as lenders, and Bank of Montreal, as administrative agent, as amended from time to time to the date of this Agreement.

“Existing Credit Agreement Payoff Letter” has the meaning set forth in Section 7.07(a).

“Existing Equipment Loan Agreement” means the Master Loan and Security Agreement dated as of May 7, 2019 by and between BMO Harris Bank N.A. and Katahdin.

“Existing Equipment Loan Payoff Letter” has the meaning set forth in Section 7.07(b).

“Existing Loan Documents” means the Existing Credit Agreement and the Existing Equipment Loan Agreement.

“Existing Railway Operating Certificate” means CMQR Canada’s Railway Operating Certificate No. 64-44-16-1.

“Final Cash and Cash Equivalents” has the meaning set forth in Section 3.06(b)(i)(A).

“Final Closing Date Indebtedness” has the meaning set forth in Section 3.06(c)(iv)(A).

“Final Merger Consideration” means the Closing Date Merger Consideration, as adjusted pursuant to Section 3.06.

“Final Unpaid Selling Expenses” has the meaning set forth in Section 3.06(c)(iii)(A).

“Final Working Capital” has the meaning set forth in Section 3.06(c)(ii)(A).

“FTAI” means Fortress Worldwide Transportation and Infrastructure General Partnership, a Delaware general partnership.

“GAAP” means generally accepted accounting principles in the United States.

“Governmental Authorization” means any authorization, license, permit, certificate, approval, registration, exemption or other similar requirement issued by any Governmental Entity.

“Governmental Entity” means any federal, state, provincial, local or foreign government or any court of competent jurisdiction, administrative agency or commission, municipality or other governmental authority or instrumentality, domestic or foreign.

“Guarantor” has the meaning set forth in the Recitals.

“Guaranty” has the meaning set forth in the Recitals.

“Hannibal Termination Agreement” means the Hannibal Rail Services Termination Agreement to be entered into at the Closing by and between CMQR US and Ohio River Partners in substantially the form attached hereto as Exhibit I.

“Hazardous Substance” means (a) petroleum and petroleum by-products, asbestos or asbestos-containing materials, radioactive materials, medical or infectious wastes, or polychlorinated biphenyls, (b) Toxic-by-Inhalation (TIH) and Poisonous-by-Inhalation (PIH) substances, and (c) any other material, substance, contaminant or waste that is prohibited, limited or regulated under, or that can give rise to liability under, any Environmental Law.

“Indebtedness” means, without duplication, (a) all indebtedness of the Company and any Company Subsidiary for borrowed money, (b) all obligations of the Company or any Company Subsidiary evidenced by notes, bonds, debentures or similar instruments, (c) all capitalized lease obligations of the Company and any Company Subsidiary (calculated in accordance with the Accounting Principles), (d) all Indebtedness of a type referred to in clauses (a) through (c) above of other Persons guaranteed by the Company or any Company Subsidiary, (e) all Indebtedness referred to in clauses (a) through (d) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned by the Company or any Company Subsidiary, in each case as determined in accordance with the Accounting Principles and (f) any unpaid management fees and expenses owed by the Company or any Company Subsidiary to any holder of Units or any of its Affiliates. Notwithstanding anything to the contrary contained herein, in no event shall “Indebtedness” include (w) liabilities taken into account in the calculation of Working Capital, provided that Indebtedness described in clause (f) of this definition shall be exclusively accounted for as part of Indebtedness and shall not be included in the calculation of Working Capital, (x) operating or lease obligations (other than as contemplated by clause (c) of this definition), (y) deferred revenue of the Company or any Company Subsidiary, or (z) obligations under letters of credit, performance bonds, banker’s acceptances or similar instruments.

“Indemnatee” has the meaning set forth in Section 7.06(a)(i).

“Intellectual Property Rights” means any and all of the following in any jurisdiction throughout the world, whether protected, created or arising under any applicable Law, license or other Contract, or otherwise: (a) patents, patent applications and inventions and mask works; (b) trademarks, service marks, trade names, trade dress, logos, domain names and all social media accounts, blogs, and similar online presence, and corporate names and registrations and applications for registration thereof, together with all of the goodwill associated therewith (collectively “Trademarks”), (c) copyrights (registered or unregistered), copyrightable works and works of authorship, and registrations and applications for registrations thereof; (d) computer software (whether in source code, object code, or mark-up language), data, databases, and database design, and documentation thereof; and (e) trade secrets, know-how, and other similar confidential information.

“Interim Balance Sheet” has the meaning set forth in Section 4.08(a).

“Interim Financial Statements” has the meaning set forth in Section 4.08(a).

“Invasive Activity” means any testing, sampling, boring, drilling, probing, digging or other invasive investigative activity.

“Katahdin” means Katahdin Railcar Services LLC, a Delaware limited liability company.

“Katahdin Promissory Note” means a promissory note issued by FTAI or an Affiliate of FTAI (other than the Company or any Company Subsidiary) in connection with FTAI’s or such Affiliate’s purchase of 100% of the membership interests of Katahdin.

“Katahdin Transition Services Agreement” means a transition services agreement to be entered into at the Closing by and between CMQR US and Katahdin on the terms set forth in the term sheet attached hereto as Exhibit J and otherwise on terms mutually agreed between the Company and Parent.

“Knowledge of the Company” means the actual knowledge of Ryan Ratledge, Gaynor Ryan and Andrew Curran in their capacity as officers of the Company and not in their personal capacity or in any other capacity, as of the date of this Agreement, after due inquiry of each of their respective direct reports, and does not include knowledge or awareness of any other individual or any constructive, implied or imputed knowledge or awareness.

“Lac Megantic Tracks” means

“Law” means any applicable federal, state, provincial, local, or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law of any jurisdiction within the continental United States and Canada, including common law.

“Law Firms” means Sidley Austin LLP, McMillan LLP and their respective successors.

“Lease” has the meaning set forth in Section 4.11(c).

“Letter of Transmittal” has the meaning set forth in Section 3.01(b).

“Liabilities” means all obligations, liabilities and commitments of any nature, whether known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, absolute, accrued, contingent or otherwise and whether due or to become due.

“Liens” means any pledges, liens, charges, mortgages, hypothecs, encumbrances, or security interests of any kind or nature whatsoever.

“Losses” means any loss, Liability, claim, damage or expense, including reasonable legal fees and expenses.

“Material Casualty Loss” has the meaning set forth in Section 7.15.

“Material Contracts” has the meaning set forth in Section 4.18(a).

“Material Environmental Authorizations” has the meaning set forth in Section 4.17(d).

“Material Governmental Authorizations” has the meaning set forth in Section 4.06(a).

“Material Leased Real Property” has the meaning set forth in Section 4.11(a).

“Member Release Agreement” means a Member Release Agreement to be entered into by and between RAH and a holder of Units substantially in the form attached hereto as Exhibit E.

“Merger” has the meaning set forth in Recitals.

“Merger Sub” has the meaning set forth in Preamble.

“Objection Notice” has the meaning set forth in Section 3.06(b)(i).

“Off-the-Shelf Software” means any and all software that is commercially available off-the-shelf software and (a) is not material to the Company or any Company Subsidiary, (b) has not been materially modified or customized for the Company or any Company Subsidiary, and (c) is licensed to the Company or any Company Subsidiary for a one-time or annual license fee of \$10,000 or less.

“Ohio River Partners” means Ohio River Partners Shareholder LLC, a Delaware limited liability company.

“Order” means any rule, regulation, judgment, writ, injunction, or award of a Governmental Entity acting in an adjudicative, rulemaking or regulatory capacity, or of an arbitrator with applicable jurisdiction over the subject matter.

“Organizational Documents” means (a) the charter, articles or certificates of incorporation and the by-laws of a corporation, (b) the partnership agreement and any statement or certificate of partnership of a general partnership, (c) the limited partnership agreement and the certificate of formation or limited partnership of a limited partnership, (d) the operating or limited liability company agreement and certificate of formation of a limited liability company and (e) any foreign equivalent of any of the foregoing for any entity organized outside of the United States.

“Other Real Property Interests” has the meaning set forth in Section 4.11(b).

“Outside Date” has the meaning set forth in Section 9.01(b)(i).

“Owned Real Property” has the meaning set forth in Section 4.11(b).

“Parachute Payment Waivers” has the meaning set forth in Section 7.16.

“Parent” has the meaning set forth in Preamble.

“Parent Group Members” has the meaning set forth in Section 10.10.

“Parent Material Adverse Effect” has the meaning set forth in Section 5.01.

“Permitted Liens” means (a) mechanics’, carriers’, workmen’s, warehousemen’s, repairmen’s or other like Liens imposed by applicable Law arising or incurred in the ordinary course of business, (b) Liens for Taxes, assessments and other governmental charges and levies that are not due and payable or that may thereafter be paid without interest or penalty or for Taxes that the taxpayer is contesting in good faith by appropriate proceedings, (c) Liens affecting the interest of the grantor of any easements benefiting any Owned Real Property which were not granted by or consented to by the Company or any Company Subsidiary prior to the Company or such Company Subsidiary taking ownership thereof, (d) prior to Closing, Liens that secure Indebtedness under the Existing Loan Documents, (e) minor imperfections, defects or irregularities in title, rights-of-way, covenants, restrictions, reversionary interests, and other, similar matters that were not incurred in connection with any Indebtedness and that would not, individually or in the aggregate, reasonably be expected to materially impair the continued use and operation of the assets to which they relate in the business of the Company and any Company Subsidiary as presently conducted, (f) zoning, building and other similar codes and regulations, (g) Liens arising in the ordinary course of business under worker’s compensation, employment or unemployment insurance, social security, retirement and similar legislation, (h) other statutory liens securing payments not yet due, (i) purchase money liens and liens securing rental payments under capital lease arrangements, (j) any matters of public record or that would be disclosed by a current, accurate survey, a railroad valuation map or physical inspection of the assets to which they relate, *provided, however*, that any such matters would not, individually or in the aggregate, reasonably be expected to materially impair the continued use and operation of the assets to which they relate in the business of the Company and any Company Subsidiary as presently conducted, and (k) the terms of any lease or license to which the Company or any Company Subsidiary is a party with respect to the property leased or licensed thereby and any Liens to secure landlords, lessors or renters under such agreements incurred in the ordinary course of business.

“Person” means any individual, firm, corporation, partnership, company, limited liability company, trust, joint venture, association, Governmental Entity or other entity.

“Pre-Closing Reorganization” means (a) CMQR US and Ohio River Partners shall have executed the Hannibal Termination Agreement and (b) if neither Parent nor the Company has delivered a written notice to the other pursuant to Section 7.17, (i) 100% of the membership interests of Katahdin shall have been sold by CMQR US to FTAI or an Affiliate of FTAI (other than the Company or any Company Subsidiary) in exchange for the Katahdin Promissory Note and all amounts owed to Katahdin by the Company or any Company Subsidiary and all amounts owed to the Company or any Company Subsidiary by Katahdin, in each case, shall have been paid or cancelled prior to such sale and (ii) following the issuance of the Katahdin Promissory Note, CMQR US shall have distributed the Katahdin Promissory Note to the Company and, following such distribution, the Company shall have distributed the Katahdin Promissory Note to the holders of Units.

“Pre-Closing Statement” has the meaning set forth in Section 2.08.

“Preferred Unit” has the meaning set forth in the Company Agreement.

“Purchase Price” means \$130,000,000 plus, if either Parent or the Company has delivered a written notice to the other pursuant to Section 7.17, \$4,500,000.

“R&W Insurance Policy” means the representations and warranties insurance policy issued by Chubb Insurance Company of Canada to Parent in connection with this Agreement, in the form attached as Exhibit G hereto.

“Real Property” means the Owned Real Property and the Material Leased Real Property.

“Release” means disposing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, migration, seeping, or placing in, into or upon any land or water or air or otherwise entering into the environment.

“Remedial Action” means all action to (a) clean up, remove, treat or handle in any other way Hazardous Substances in the environment; (b) prevent the Release of Hazardous Substances in the environment and so that they do not migrate, endanger or threaten to endanger public health or the environment; or (c) perform site investigations or monitoring, including any remedial investigations, feasibility studies, corrective actions, closures and post-remedial or post-closure studies, investigations, operations, maintenance and monitoring.

“Representatives” means, with respect to any Person, such Person’s officers, directors, managers, employees, agents, consultants, legal and other professional advisors.

“Seller Group Members” has the meaning set forth in Section 10.10.

“Seller Representative” means FTAI in its capacity as the representative to act on behalf of the holders of Units for the purposes and on the terms specified herein, including Section 10.09.

“SEMS” means the Superfund Enterprise Management System.

“Sponsor” means Fortress Transportation and Infrastructure Investors LLC, a Delaware limited liability company.

“STB” means the United States Surface Transportation Board.

“STB Approval” means authorization of the STB pursuant to 49 C.F.R. § 1013.3(a) for the use of a voting trust transaction under which all of the shares of capital stock of CMQR US shall be placed into an irrevocable voting trust as of the Effective Time pending receipt of final STB approval or exemption of the Transaction pursuant to 49 U.S.C. § 11323 *et seq*; *provided, however*, that if the STB declines to authorize the use of such a voting trust, then “STB Approval” shall mean receipt of final STB approval or exemption of the Transaction pursuant to 49 U.S.C. § 11323 *et seq*.

“Surviving Company” has the meaning set forth in Section 2.01.

“Target Working Capital” means negative \$3,881,400.

“Tax” means any taxes, imposts, duties, withholdings, charges, fees, levies or other assessments imposed by any Governmental Entity, in each case in the nature of a tax and together with any interest, penalties and additions imposed with respect thereto.

“Tax Certificate” has the meaning set forth in Section 7.10.

“Tax Proceeding” means any audit, examination, contest or other Action relating to Taxes.

“Tax Return” means any return, declaration, statement, report, claim, schedule, election, form or information return filed or required or permitted to be filed with any taxing authority relating to Taxes, including any supplement, schedule or attachment thereto and any amendment thereof.

“TC” means Transport Canada.

“TC Approval” means confirmation from TC that no variation or replacement of the Existing Railway Operating Certificate is required for CMQR Canada immediately following the Closing or, if required, approval by TC of a variation to the Existing Railway Operating Certificate or issuance of a new Railway Operating Certificate.

“Tendering Member” has the meaning set forth in Section 3.04(a).

“Termination and Release Agreement” means a Termination and Release Agreement to be entered into at the Closing by and between CMQR US, CMQR Canada, the Company, Sponsor and FTAI substantially in the form attached hereto as Exhibit F.

“Transaction” means the Merger and any other transactions contemplated by this Agreement and the Ancillary Agreements (including the Pre-Closing Reorganization).

“Transfer Taxes” has the meaning set forth in Section 7.09.

“Units” means the Common Units and the Preferred Units.

“Unpaid Selling Expenses” means all fees, costs and expenses of any Person incurred by or on behalf of, or to be paid by, the Company or any Company Subsidiary pursuant to this Agreement or in connection with the preparation, negotiation, drafting and execution of this Agreement and the consummation of the Transaction, but only to the extent such fees, costs, expenses and liabilities remain unpaid as of immediately prior to the Closing, including all (a) legal, accounting, advisory, broker, consulting and related fees and expenses and (b) retention, stay or deal bonuses or awards.

“Voting Company Debt” has the meaning set forth in Section 4.03.

“Waived 280G Benefits” has the meaning set forth in Section 7.16.

“WARN Act” has the meaning set forth in Section 4.14(b).

“Working Capital” means, with respect to the Company and the Company Subsidiaries, the aggregate value of the current assets of the Company and the Company Subsidiaries that are included in the line item categories of current assets specifically identified on Exhibit B, less the aggregate value of the current liabilities of the Company and the Company Subsidiaries that are included in the line item categories of current liabilities specifically identified on Exhibit B, in each case, determined on a consolidated basis without duplication, as of the Calculation Time and calculated in accordance with Accounting Principles. Notwithstanding anything to the contrary contained herein, in no event shall “Working Capital” include any amounts with respect to (a) Closing Date Cash and Cash Equivalents, (b) Closing Date Indebtedness or (c) Unpaid Selling Expenses. For the avoidance of doubt, the effects of the Transaction will be disregarded for purposes of calculating Working Capital.

SECTION 1.02. Interpretation. When a reference is made in this Agreement to an Article, Section or Exhibit, such reference shall be to such Article of, Section of or an Exhibit to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references herein to “dollars”, “U.S. dollars” or “\$” shall be deemed to be references to the lawful money of the United States. All provisions herein qualified by the term “domestic” or “foreign” shall be construed on the basis that the United States is the relevant domestic country. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. Unless otherwise specified herein, undefined terms shall be given the meaning customarily applied to such terms in the railroad industry.

ARTICLE II.

The Merger

SECTION 2.01. The Merger. On the terms and subject to the conditions of this Agreement and in accordance with the DLLCA, Merger Sub shall be merged with and into the Company at the Effective Time. At the Effective Time, the separate limited liability company existence of Merger Sub shall cease and the Company shall continue as the surviving limited liability company (the “Surviving Company”).

SECTION 2.02. Closing. The closing of the Merger (the “Closing”) shall take place at the offices of Sidley Austin LLP, 1501 K Street, N.W., Washington, D.C. 20005 at 10:00 a.m. on December 30, 2019, or, if later, on the second Business Day following the date of satisfaction (or,

to the extent permitted by Law, waiver by the party or parties entitled to the benefit thereof) of all of the conditions set forth in Article VIII (other than such conditions that by their nature will be satisfied at the Closing), or at such other place, time and date as shall be agreed in writing between Parent and the Company; provided, however, that the Closing may occur remotely by email or other manner to the extent mutually be agreed upon by Parent and the Company. The date on which the Closing occurs is referred to in this Agreement as the “Closing Date”.

SECTION 2.03. Effective Time. On the Closing Date, the Company, Merger Sub and Parent shall cause to be filed with the Department of State of the State of Delaware a certificate of merger, in the form attached hereto as Exhibit C (the “Certificate of Merger”), executed in accordance with the relevant provisions of the DLLCA, and shall make all other filings or recordings required under the DLLCA to effectuate the Merger. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Department of State of the State of Delaware, or at such other time as Parent and the Company shall agree and specify in the Certificate of Merger (the time the Merger becomes effective being the “Effective Time”).

SECTION 2.04. Effect of the Merger. The Merger shall have the effects set forth in this Agreement and in Section 18-209(g) of the DLLCA. Without limiting the generality of the foregoing and subject thereto, by virtue of the Merger and without further act or deed, at the Effective Time all of the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Company, and all debts, restrictions, disabilities, liabilities, obligations and duties of the Company and Merger Sub shall become the debts, restrictions, disabilities, liabilities, obligations and duties of the Surviving Company.

SECTION 2.05. Certificate of Formation and Limited Liability Company Agreement. The certificate of formation of the Company, as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Company until thereafter changed or amended as provided therein or by applicable Law. The limited liability company agreement of the Merger Sub as in effect immediately prior to the Effective Time shall be the limited liability company agreement of the Surviving Company (except that the name of the Surviving Company shall be “Railroad Acquisition Holdings LLC”) until thereafter changed or amended as provided therein or by applicable Law.

SECTION 2.06. Directors and Officers. The directors and officers of Merger Sub immediately prior to the Effective Time shall be the directors and officers of the Surviving Company until the earlier of their resignation or removal or until their respective successors are duly elected or appointed and qualified, as the case may be.

SECTION 2.07. Other Closing Deliverables. At the Closing:

(a) the Company shall deliver, or cause to be delivered, to Parent resignation letters for each of the directors of the Company;

(b) the Company shall deliver, or cause to be delivered, an agreement terminating the Cost Sharing and Reimbursement Agreement with respect to CMQR US and CMQR Canada and specifying the final payment due thereunder duly executed by an authorized officer of each of the parties to such agreement;

(c) the Company shall deliver, or cause to be delivered, to Parent an agreement, notice or other document terminating the Canada Insurance Indemnity duly executed by an authorized officer of each of the parties (if any) to such agreement, notice or other document;

(d) the Company shall deliver, or cause to be delivered, to Parent a copy of the Termination and Release Agreement duly executed by an authorized officer of each party to the Termination and Release Agreement;

(e) the Company shall deliver, or cause to be delivered, to Parent copies of the agreements, consents, notices and other documents evidencing the consummation of the Pre-Closing Reorganization prior to, or concurrently with, the Closing;

(f) Parent shall make the payments set forth in Section 3.02;

(g) each of Parent and Merger Sub shall deliver, or cause to be delivered, to the Company a certificate executed by or on behalf of Parent or Merger Sub, respectively, as to the satisfaction of the conditions set forth in Sections 8.03(a) and 8.03(b);

(h) the Company shall deliver, or cause to be delivered, to Parent and Merger Sub a certificate executed by or on behalf of the Company as to the satisfactions of the conditions set forth in Section 8.02(a) and 8.02(b);

(i) the Company shall deliver, or cause to be delivered, to Parent copies of each of the Ancillary Agreements to which the Company or the Seller Representative is a party, duly executed by an authorized officer of the Company or the Seller Representative, as applicable;

(j) Parent shall deliver, or cause to be delivered, to the Seller Representative copies of each of the Ancillary Agreements to which Parent or Merger Sub is a party, duly executed by an authorized officer of Parent or Merger Sub, as applicable;

(k) the Company shall deliver, or cause to be delivered, to Parent a copy of the Hannibal Termination Agreement duly executed by an authorized officer of each party to the Hannibal Termination Agreement;

(l) if neither Parent nor the Company has delivered a written notice to the other pursuant to Section 7.17, the Company shall deliver, or cause to be delivered, to Parent a copy of the Katahdin Transition Services Agreement duly executed by an authorized officer of each party to the Katahdin Transition Services Agreement;

(m) if neither Parent nor the Company has delivered a written notice to the other pursuant to Section 7.17, the Company shall deliver, or cause to be delivered, to Parent a copy of the Derby Facility License duly executed by an authorized officer of each party to the Derby Facility License;

(n) the Company shall deliver, or cause to be delivered, to Parent a Tax Certificate duly executed by FTAI and any other Tax Certificate executed and delivered by any other holder of Units to the Company or the Seller Representative prior to the Closing Date; and

(o) the Company shall deliver, or cause to be delivered, to Parent a Member Release Agreement duly executed by FTAI and any other Member Release Agreement executed and delivered by any other holder of Units to the Company or the Seller Representative prior to the Closing Date.

SECTION 2.08. Pre-Closing Statement. At least three (3) Business Days prior to the anticipated Closing Date, the Company shall prepare and deliver to Parent a written statement (the “Pre-Closing Statement”), which shall set forth (a) the Company’s good faith estimate of (i) Closing Date Cash and Cash Equivalents (“Estimated Cash and Cash Equivalents”), (ii) Working Capital (“Estimated Working Capital”), (iii) the Closing Date Indebtedness (“Estimated Closing Date Indebtedness”), and (iv) Unpaid Selling Expenses as of immediately prior to the Closing (“Estimated Unpaid Selling Expenses”) and (b) the Company’s good faith estimate of the Closing Date Merger Consideration based upon the items in the immediately foregoing clause (a).

SECTION 2.09. Consideration Spreadsheet.

(a) At least three (3) Business Days prior to the anticipated Closing Date, the Company shall prepare and deliver to Parent a spreadsheet (the “Consideration Spreadsheet”) which sets forth:

- (i) the calculation of the Closing Date Per Common Unit Merger Consideration and the Closing Date Per Preferred Unit Merger Consideration;
- (ii) the amount to be paid to each holder of Units;
- (iii) each holder of Units pro rata share of amounts on deposit in the Escrow Account.

(b) Parent and Merger Sub shall have no liability for payments made pursuant to the Consideration Spreadsheet or amounts paid pursuant to Section 3.02(f) and Section 3.06(d).

SECTION 2.10. Allocation of the Purchase Price. The Parties hereby acknowledge and agree that the Purchase Price shall be allocated in the manner set forth in Exhibit L.

ARTICLE III.

Effect of the Merger on the Units

SECTION 3.01. Conversion of Units. At the Effective Time, by virtue of the Merger and without any action on the part of any party:

(a) The membership interests of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one hundred percent (100%) of the membership interests of the Surviving Company;

(b) Each Common Unit (including each Accelerated Award Unit) shall be converted into the right to receive, upon delivery of a duly executed and completed letter of

transmittal substantially in the form attached hereto as Exhibit D (“Letter of Transmittal”), the Closing Date Per Common Unit Merger Consideration for such Common Unit, subject to adjustments following the Closing as specified in this Agreement (including release of amounts held in the Escrow Account), and such Common Unit after such conversion shall automatically be cancelled and retired and shall cease to exist; and

(c) Each Preferred Unit shall be converted into the right to receive, upon delivery of a duly executed and completed Letter of Transmittal, the Closing Date Per Preferred Unit Merger Consideration for such Preferred Unit, subject to adjustments following the Closing as specified in this Agreement (including release of amounts held in the Escrow Account), and such Preferred Unit after such conversion shall automatically be cancelled and retired and shall cease to exist.

SECTION 3.02. Closing Payments. At the Closing, Parent shall pay, or cause to be paid, by wire transfer of cash in immediately available funds:

(a) on behalf of the Company and the Company Subsidiaries, the amount specified in the Existing Credit Agreement Payoff Letter to the administrative agent under the Existing Credit Agreement in accordance with the terms of the Existing Credit Agreement;

(b) on behalf of the Company and the Company Subsidiaries, the amount specified in the Existing Equipment Loan Payoff Letter to the lender under the Existing Equipment Loan Agreement in accordance with the terms of the Existing Loan Agreement;

(c) on behalf of the Company and the Company Subsidiaries, the Estimated Unpaid Selling Expenses to the applicable recipients thereof as set forth on the Pre-Closing Statement;

(d) to the Escrow Agent, an amount equal to the Escrow Amount to be held in the Escrow Account in accordance with the terms of the Escrow Agreement;

(e) on behalf of the Company and the Company Subsidiaries, the accrued but unpaid management fees and expenses owed by the Company and the Company Subsidiaries to Sponsor or its Affiliates by paid by FTAI or its Affiliates under the Cost Sharing and Reimbursement Agreement as set forth in the agreement described in Section 2.07(b);

(f) to the Seller Representative, an amount equal to (i) the Closing Date Merger Consideration minus (ii) the Accelerated Award Unit Closing Consideration; and

(g) to CMQR US, an amount equal to the Accelerated Award Unit Closing Consideration.

SECTION 3.03. Acceleration of Vesting of Award Units. Prior to the Effective Time, the Company Board (or, if appropriate, any duly authorized committee thereof) shall adopt such resolutions and take such other actions as may be required to: (a) provide that, effective immediately prior to the Effective Time, each Award Unit that remains outstanding and unvested as of immediately prior to the Effective Time shall fully vest, and (b) deliver to the applicable participant, effective immediately prior to the Effective Time, all the Common Units remaining to

be issued under the applicable Accelerated Common Unit Award Agreement after giving effect to the accelerated vesting contemplated by the immediately preceding clause (a).

SECTION 3.04. Payments of Closing Date Merger Consideration and Accelerated Award Unit Closing Consideration.

(a) With respect to each holder of Units who has properly completed, executed and delivered to the Seller Representative a Letter of Transmittal with respect to the Units held by such holder of Units (each, a “Tendering Member”), promptly following the later to occur of the Closing Date and the date on which such Tendering Member has properly completed, executed and delivered to the Seller Representative a Letter of Transmittal with respect to the Units held by such Tendering Member, the Seller Representative shall pay to each Tendering Member, excluding any Accelerated Award Unit Holder with respect to his or her Accelerated Award Units, an amount equal to:

(i) with respect to each Preferred Unit formerly held by such Tendering Member, an amount equal to the Closing Date Per Preferred Unit Merger Consideration for such Preferred Unit; and

(ii) with respect to each Common Unit formerly held by such Tendering Member, an amount equal to the Closing Date Per Common Unit Merger Consideration;

in each case, which amounts shall be payable by the Seller Representative to such Tendering Member by check or wire transfer of immediately available funds to the account designated in such Tendering Member’s Letter of Transmittal. Pursuant to the Letter of Transmittal executed by a Tendering Member and as a condition to the receipt of consideration pursuant to this Agreement, each Tendering Member shall be deemed to have (x) approved of this Agreement (including the liabilities of such Tendering Member set forth in this Agreement), the Escrow Agreement, the other Ancillary Agreements and all of the arrangements relating thereto and (y) approved the appointment of the Seller Representative in accordance with the terms of this Agreement. Notwithstanding anything to the contrary contained herein, the Seller Representative shall be entitled to deduct and withhold from the applicable portion of the Closing Date Merger Consideration or other payments otherwise payable pursuant to this Agreement and any subsequent adjustments thereto, such amounts as the Seller Representative or Parent or Merger Sub is required to deduct and withhold with respect to such payment under the Code or any other applicable Law, including any applicable withholding as a result of a failure of a holder of Units to deliver a Tax Certificate. The parties hereto acknowledge and agree that if a holder of Units delivers a Tax Certificate, no withholding is required with respect to the payments to such holder contemplated by this Agreement (other than with respect to Accelerated Award Units and any other payments or benefits that are wages under federal tax law and are subject to payroll tax withholding). To the extent that amounts are so withheld and paid over to the applicable Governmental Entity, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

(b) With respect to Accelerated Award Units held by a Tendering Member, promptly following the later to occur of the Closing Date and the date on which such Tendering Member has properly completed, executed and delivered to the Seller Representative a Letter of

Transmittal with respect to the Units held by such Tendering Member (but in no event later than the second regularly scheduled payroll date following such date), Parent shall, with respect to each Tendering Member, cause CMQR US to pay to each such Tendering Member, through CMQR US's payroll system, an amount equal to (i) the number of Accelerated Award Units held by such holder as of the Effective Time, multiplied by (ii) the Closing Date Per Common Unit Merger Consideration, less any required withholding taxes, and without interest thereon.

SECTION 3.05. Appraisal Rights. No holder of Units shall have any contractual or other appraisal rights, including pursuant to Section 18-210 of the DLLCA.

SECTION 3.06. Post-Closing Merger Consideration Adjustment and Payments.

(a) As promptly as practicable, but in no event later than sixty (60) days following the Closing, Parent shall prepare and deliver to the Seller Representative a written statement (the "Closing Statement"), based upon the books and records of the Company and the Company Subsidiaries, which shall set forth Parent's good faith calculation of (i) Closing Date Cash and Cash Equivalents, (ii) Working Capital, which shall be based exclusively on the facts and circumstances as they exist as of the close of business on the day immediately preceding the Closing Date and shall exclude the effects of any event, act, change in circumstance or similar development arising or occurring thereafter, (iii) Closing Date Indebtedness, (iv) Unpaid Selling Expenses and (v) the Final Merger Consideration (assuming release to the holders of Units of the entire Escrow Amount) based upon the foregoing items. The parties acknowledge that the sole purpose of the determination of Working Capital in the Closing Statement is to adjust the Purchase Price to reflect changes in the Working Capital, and such change can only be measured if the calculation is done using the same methodology, practices and principles used in determining the Target Working Capital. From and after the Closing Date, the Company and the Company Subsidiaries shall provide Parent with all information and assistance necessary for Parent to provide the Closing Statement and take other actions necessary or advisable under this Section 3.06.

(b) After receipt of the Closing Statement, the Seller Representative and its Representatives shall have full access to, and be allowed to make copies of, all relevant books and records (including accountant work papers) and full access to accountants and employees of the Surviving Company and the Company Subsidiaries to the extent reasonably necessary to complete their review of the Closing Statement, and Parent shall cause the Surviving Company and the Company Subsidiaries to cooperate with the Seller Representative and its Representatives in connection with their review. Following the Closing, Parent, the Surviving Company and the Company Subsidiaries shall not take any action with respect to the accounting books and records on which the Closing Statement is to be based that would obstruct or prevent the preparation of the Closing Statement and the determinations set forth in this Section 3.06. If Parent, the Surviving Company or any Company Subsidiary fails to provide such access or cooperation or is otherwise in breach of this Section 3.06(b), the Seller Representative may initiate the appointment of the Arbiter in accordance with Section 3.06(b)(iii). The Arbiter shall have the authority (x) to determine whether Parent, the Surviving Company or any Company Subsidiary has complied with its obligations in accordance with this Section 3.06(b) and to order Parent, the Surviving Company and the Company Subsidiaries to so comply, (y) to extend any deadlines set forth herein as the Arbiter deems appropriate if Parent, the Surviving Company or any Company Subsidiary has failed

to comply with its obligations under this Section 3.06(b) and (z) allow the Seller Representative to amend its Objection Notice if the Arbiter determines that Parent's, the Surviving Company's or any Company Subsidiary's failure to comply has affected the ability of the Seller Representative and its Representatives to timely review the Closing Statement and related information.

(i) If, within forty-five (45) days following the delivery of the Closing Statement, the Seller Representative has not given Parent notice of its objection to any item in the Closing Statement, which notice shall set forth in reasonable detail the basis of the Seller Representative's disagreement, the amounts involved and the proposed determination of the dispute amount (a "Objection Notice"), then the Closing Statement shall be deemed final and binding on Parent, the Surviving Company, the Seller Representative and the holders of Units.

(ii) If the Seller Representative delivers an Objection Notice, then Parent and the Seller Representative shall consult in good faith to resolve the disputed items set forth in the Objection Notice. If all disputed items set forth in the Objection Notice are resolved in writing by the Seller Representative and Parent, then the Closing Statement, as revised to reflect the written resolution of the Seller Representative and Parent, shall be final and binding on Parent, the Surviving Company, the Seller Representative and the holders of Units.

(iii) If any disputed items have not been resolved within thirty (30) days following delivery of the Objection Notice, from and after such time the Seller Representative or Parent may submit separate detailed written statements setting forth their respective positions with respect to the remaining disputed items to a nationally recognized independent public accountant (or, if none is available, a nationally recognized consulting or valuation firm) that is mutually agreeable to the Seller Representative and Parent (the "Arbiter") for resolution.

(A) If any items in dispute are submitted to the Arbiter for resolution, (x) Parent and the Seller Representative shall use their respective reasonable efforts to cause the Arbiter to resolve all remaining disagreements (only to the extent such disagreements remain in dispute) with respect to the Closing Statement as soon as practicable but in any event shall direct the Arbiter to render a determination within thirty (30) days after its retention, (y) Parent and the Seller Representative shall cooperate with the Arbiter during its engagement and furnish to the Arbiter and to each other such work papers and other documents and information (subject to customary non-reliance letters, confidentiality agreements or similar agreements that may be requested by third parties) relating solely to the disputed issues as the Arbiter may request and are available to that party (including, in the case of Parent, the Surviving Company, the Company Subsidiaries or their accountants), and shall be afforded the opportunity to present to the Arbiter any materials relating to the determination and to discuss the determination with the Arbiter; *provided, however*, that copies of all such materials are concurrently provided to the other party and that discussions may only occur in the presence (including by telephone) of the other party; *provided further* that the Arbiter (I) shall consider only those items and amounts which are identified as being in

dispute and (II) shall be bound by the Accounting Principles and other terms of this Agreement, including the definition of Working Capital, and (z) the determination by the Arbiter of the disputed items in the Closing Statement, as shall be set forth in a notice delivered to both parties by the Arbiter, shall be final and binding on Parent, the holders of Units, the Seller Representative and any other party hereto on the date the Arbiter delivers its final resolution in writing to the Seller Representative and Parent.

(B) The Arbiter shall have full authority to resolve all issues relating to the disputed items in the Objection Notice (including procedural, legal, factual and accounting issues); *provided, however*, that the Arbiter shall not have the authority to resolve issues relating to (x) breaches of representations, warranties or covenants or (y) other claims that are not directly related to, and within the scope of, the disputed items in the Objection Notice. The Arbiter shall set forth its determination of all issues in a written opinion. In resolving any disputed item, the Arbiter will be authorized to select only the position on such item as presented by either the Seller Representative (on the one hand) or Parent (on the other hand). The Arbiter will have no power to reach any other result and shall select the position that, in its judgment, is the closest to being in conformity with this Agreement. The Arbiter shall make its determination based solely on presentations by Parent and the Seller Representative and not on the basis of independent review. The final judgment of the Arbiter may be entered into any court having jurisdiction over the issues addressed in the arbitration.

(C) The parties and the Arbiter will keep confidential, and will not disclose to any Person, except to their Representatives or as may be required by Law or in connection with enforcing the decision of the Arbiter, the existence of any dispute, claim or controversy under this Section 3.06, the referral of any such dispute, claim or controversy to arbitration or the status or resolution thereof.

(D) The fees of the Arbiter for such determination shall be borne equally by Parent, on the one hand, and the Seller Representative, on the other.

(c) The Closing Date Merger Consideration shall be adjusted as follows (without duplication): (i)(A) increased by the amount, if any, by which Closing Date Cash and Cash Equivalents, as finally determined pursuant to Section 3.06(b) (“Final Cash and Cash Equivalents”) are greater than Estimated Cash and Cash Equivalents or (B) reduced by the amount, if any, by which Final Cash and Cash Equivalents are less than Estimated Cash and Cash Equivalents; (ii)(A) increased by the amount, if any, by which Working Capital, as finally determined pursuant to Section 3.06(b) (“Final Working Capital”), is greater than Estimated Working Capital or (B) reduced by the amount, if any, by which Final Working Capital is less than Estimated Working Capital; (iii)(A) reduced by the amount, if any, by which Unpaid Selling Expenses, as finally determined pursuant to Section 3.06(b) (“Final Unpaid Selling Expenses”), is greater than the Estimated Unpaid Selling Expenses or (B) increased by the amount, if any, by which Final Unpaid Selling Expenses is less than Estimated Unpaid Selling Expenses, and (iv)(A) reduced by the amount, if any, by which Closing Date Indebtedness, as finally determined pursuant to Section 3.06(b) (“Final Closing Date Indebtedness”) is greater than Estimated Closing Date

Indebtedness or (B) increased by the amount, if any, by which Final Closing Date Indebtedness is less than Estimated Closing Date Indebtedness.

(d) No later than the third (3rd) Business Day following the final determination of the Adjustment Amount:

(i) if the Adjustment Amount is positive, then (A) Parent shall pay, or shall cause the Surviving Company to pay, the Adjustment Amount to the Seller Representative and (B) Parent and the Seller Representative shall deliver joint written instruction to the Escrow Agent to release the Escrow Amount to the Seller Representative, in each case, for payment to the Tendering Members pursuant to Section 3.06(e);

(ii) if the Adjustment Amount is negative (A) but less than the funds on deposit in the Escrow Account, then (1) Parent and the Seller Representative shall deliver a joint written instruction to the Escrow Agent to release to Parent an amount of cash from the Escrow Account equal to the lesser of (x) the Escrow Amount and (y) the absolute value of the Adjustment Amount and (2) Parent and the Seller Representative shall deliver a joint written instruction to the Escrow Agent to release to the Seller Representative for payment to the Tendering Members pursuant to Section 3.06(e) any remaining cash from the Escrow Account following the release pursuant to Section 3.06(d)(ii)(A)(1) or (B) but greater than the funds on deposit in the Escrow Account, then (1) Parent and the Seller Representative shall deliver a joint written instruction to the Escrow Agent to release to Parent all of the amounts on deposit in the Escrow Account and (2) the Seller Representative shall pay to Parent an amount equal to the absolute value of the Adjustment Amount less the amount released to Parent pursuant Section 3.06(d)(ii)(B)(1); or

(iii) if the Adjustment Amount is zero Parent and the Seller Representative shall deliver joint written instruction to the Escrow Agent to release the Escrow Amount to the Seller Representative for payment to the Tendering Members pursuant to Section 3.06(e).

(e) With respect to any amount paid or released to the Seller Representative pursuant to Section 3.06(d), the Seller Representative shall (i) cause the portion of such amount payable with respect to the Accelerated Award Units to be delivered to CMQR US specifying the amount to be paid to the holder of any such Unit and (ii) with respect to the remaining portion of such amount, pay to each Tendering Member, excluding any Accelerated Award Unit Holder with respect to his or her Accelerated Award Units, an amount equal to the amount that would have been distributed to such Tendering Member if such portion of such amount were distributed to the former holders of Units, excluding any Accelerated Award Unit Holder with respect to his or her Accelerated Award Units, in accordance with Section 5.02 of the Company Agreement. Promptly following the date the portion of such amount is delivered to CMQR US in accordance with this Section 3.06(e) (but in no event later than the second regularly scheduled payroll date following such date), Parent shall, with respect to each Tendering Member who is Accelerated Award Unit Holder, cause CMQR US to pay to each such Tendering Member, through CMQR US's payroll system, an amount equal to the amount that would have been distributed to such Tendering Member with respect to such Tendering Member's Accelerated Award Units if such portion of

such amount were distributed to the Accelerated Award Unit Holders in accordance with Section 5.02 of the Company Agreement, less any required withholding taxes, and without interest thereon.

(f) The Adjustment Amount shall be treated as an adjustment to the Closing Date Merger Consideration for federal, state, local and foreign income Tax purposes.

ARTICLE IV.

Representations and Warranties of the Company

The Company represents and warrants to Parent that, except as set forth in the Company Disclosure Letter:

SECTION 4.01. Organization and Good Standing; Charter Documents.

(a) The Company and each of the Company Subsidiaries (i) is a limited liability company, corporation or other legal entity, duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of its jurisdiction of formation, incorporation or organization, (ii) has full limited liability company, corporate or similar power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted, and (iii) is duly qualified or licensed to do business as a foreign limited liability company or foreign corporation and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified or licensed, individually or in the aggregate, has not had a Company Material Adverse Effect.

(b) The Company has made available to Parent true and complete copies of the certificate of formation of the Company, as amended to the date of this Agreement (as so amended, the “Company Charter”) and the Company Agreement.

SECTION 4.02. Authority; Execution and Delivery; Enforceability.

(a) The Company has all necessary limited liability company power and authority to execute and deliver this Agreement and any Ancillary Agreement to which it is, or is specified to be, a party, to perform its obligations hereunder and thereunder and to consummate the Transaction. The execution, delivery and performance by the Company of this Agreement and any Ancillary Agreement to which it is, or is specified to be, a party, and the consummation by the Company of the Transaction, have been duly authorized by all necessary limited liability company action. This Agreement has been duly executed and delivered by the Company, and each Ancillary Agreement to which the Company is, or is specified to be, a party will at or prior to the Effective Time be, duly executed and delivered by the Company. Assuming the due authorization, execution and delivery by the other parties hereto or thereto, this Agreement constitutes, and each Ancillary Agreement to which the Company is, or is specified to be, a party will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited against the Company by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws relating to or affecting creditors’ rights generally, general equitable principles (whether considered in a proceeding in

equity or at law) and any implied covenant of good faith and fair dealing, or remedies in general, as from time to time in effect, or (ii) the exercise by courts of equity powers.

(b) The Company Board has, by written consent, (i) adopted and declared advisable this Agreement and the Transaction, including the Merger, (ii) determined that the terms of this Agreement and the Transaction, including the Merger, are fair to and in the best interests of the Company and the members of the Company and (iii) recommended that the members of the Company approve this Agreement and the Transaction, including the Merger.

(c) The Company Member Approval is the only vote required of the Company's membership interest necessary in connection with the approval and consummation of the Merger. No other vote of the Company's members is necessary in connection with this Agreement, the Ancillary Agreements or the consummation of the Transaction.

SECTION 4.03. Capitalization. Section 4.03 of the Company Disclosure Letter sets forth a list of each holder of Units and the number of Common Units and Preferred Units held by such holder of Units as of the date of this Agreement. Except as set forth in Section 4.03 of the Company Disclosure Letter, as of the date of this Agreement, there are no Units or other equity interests of the Company issued, reserved for issuance or outstanding. The issued and outstanding Common Units and Preferred Units are, to the extent applicable, duly authorized, validly issued, fully paid, nonassessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the DLLCA, the Company Charter, the Company Agreement or any Contract to which the Company is a party or otherwise bound. There are not any bonds, debentures, notes or other Indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Units may vote ("Voting Company Debt"). Except for the Common Unit Award Agreements, as of the date of this Agreement, there are not any Equity Rights to which the Company is a party or by which it is bound (A) obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional Units or other equity interests in, or any security convertible or exercisable for or exchangeable into Units of or other equity interest in, the Company or any Voting Company Debt or (B) obligating the Company to issue, grant, extend or enter into any Equity Rights. Other than the Company Agreement and the Common Unit Award Agreements, there are no agreements to which the Company is a party, or among the holders of Units, with respect to the voting of the Units. As of the date of this Agreement, there are no outstanding contractual obligations of the Company requiring the Company to repurchase, redeem or otherwise acquire any Units.

SECTION 4.04. Company Subsidiaries. Section 4.04 of the Company Disclosure Letter lists each Company Subsidiary, its jurisdiction of organization and the percentage of its equity interests directly or indirectly held by the Company. All of the outstanding membership interests, shares of capital stock or other equity interests of each Company Subsidiary directly or indirectly held by the Company are, to the extent applicable, duly authorized, validly issued, fully paid and nonassessable and are owned by the Company, by another Company Subsidiary or by the Company and another Company Subsidiary free and clear of Liens (except as provided under applicable securities Laws). Except for the Common Unit Award Agreements, as of the date of this Agreement, there are not any Equity Rights to which any Company Subsidiary is a party or by which any Company Subsidiary is bound (A) obligating any Company Subsidiary to issue,

deliver or sell, or cause to be issued, delivered or sold, equity in any Company Subsidiary or other equity interests in, or any security convertible or exercisable for or exchangeable into equity of a Company Subsidiary of or other equity interest in, any Company Subsidiary or (B) obligating any Company Subsidiary to issue, grant, extend or enter into any Equity Rights. There are no agreements to which any Company Subsidiary is a party with respect to the voting of equity in a Company Subsidiary. As of the date of this Agreement, there are no outstanding contractual obligations of the Company or any Company Subsidiary requiring the Company or a Company Subsidiary to repurchase, redeem or otherwise acquire any equity of a Company Subsidiary. Except for its interests in the Company Subsidiaries and, prior to the consummation of the Pre-Closing Reorganization, Katahdin, the Company does not own, directly or indirectly, any membership interests, capital stock or other equity or voting interests of any Person. The Company has made available to Parent true and complete copies of the Organizational Documents of each Company Subsidiary.

SECTION 4.05. No Conflict; Required Filings and Consents.

(a) The execution and delivery by the Company of this Agreement do not, the execution and delivery of each Ancillary Agreement to which it is, or is specified to be, a party will not, and the performance by the Company of this Agreement and each Ancillary Agreement to which it is, or is specified to be, a party and the consummation of the Transaction will not, (i) conflict with or violate any provision of the Company Charter or Company Agreement, or the organizational or similar documents of any Company Subsidiary, (ii) assuming that all consents, approvals and authorizations contemplated by Section 4.05(b) below have been obtained, and all filings described therein have been made, conflict with or violate any Order or Law applicable to the Company or any Company Subsidiary or by which any property or asset of the Company or any Company Subsidiary is bound or affected or (iii) except as described in Section 4.05(a) of the Company Disclosure Letter, require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, result in the loss of any right or benefit to which the Company or any Company Subsidiary is entitled under or result (immediately or with notice or lapse of time or both) in the creation of any Liens (other than a Permitted Lien) on any property or asset of the Company or any Company Subsidiary under any Contract to which the Company or any Company Subsidiary is a party or by which the Company or any Company Subsidiary, or any property or asset of the Company or any Company Subsidiary, is bound or affected, except in the case of clauses (ii) and (iii) above for any such conflicts, violations, breaches, defaults or other occurrences that, individually or in the aggregate, have not had a Company Material Adverse Effect.

(b) The execution and delivery by the Company of this Agreement do not, the execution and delivery by the Company of each Ancillary Agreement to which it is, or is specified to be, a party will not, and the performance by the Company of this Agreement and each Ancillary Agreement to which it is, or is specified to be, a party and the consummation of the Transaction will not, require any Consent of, or filing with or notification to, or registration or qualification with, any Governmental Entity, except for (i) the filing of the Certificate of Merger with the Department of State of the State of Delaware, (ii) Consents, filings, notifications, registrations or

qualifications listed in Section 4.05(b) of the Company Disclosure Letter, (iii) such filings as may be required in connection with the Transfer Taxes described in Section 7.09, (iv) the STB Approval and (v) such other items required solely by reason of the participation of Parent or Merger Sub (as opposed to any third party) in the Transaction, including any requirements which become applicable to the Company as a result of the specific regulatory status of Parent or Merger Sub (or any of their respective Affiliates) or as a result of any other facts that specifically relate to any business or activities in which Parent or Merger Sub (or any of their respective Affiliates) is or proposes to be engaged. Neither the Company nor any other Person makes any express or implied representation or warranty with respect to the CTA Approval or the TC Approval.

SECTION 4.06. Compliance.

(a) The Company and the Company Subsidiaries hold all Governmental Authorizations required to own, lease and operate their properties and lawfully conduct the businesses of the Company and the Company Subsidiaries as currently conducted and are in compliance with the terms of such Governmental Authorizations, except where the failure to hold or be in compliance with such Governmental Authorizations, individually or in the aggregate, has not had and would not reasonably be expected to have Company Material Adverse Effect. Section 4.06(a) of the Company Disclosure Letter sets forth a list of all material Governmental Authorizations of the Company and the Company Subsidiaries (the “Material Governmental Authorizations”). Except as set forth in Section 4.06(a) of the Company Disclosure Letter, (i) to the Knowledge of the Company no event has occurred or condition or state of facts exists which constitutes or, after notice or lapse of time or both, would constitute a material breach or default under any Material Governmental Authorization or which permits or, after notice or lapse of time or both, would permit revocation or termination of any Material Governmental Authorization, or which might materially and adversely affect the rights of the Company or any Company Subsidiary under any such Material Governmental Authorization; (ii) no written notice of cancellation, of default or of any dispute concerning any Material Governmental Authorization, or of any event, condition or state of facts described in the preceding clause, has been received by the Company or any Company Subsidiary; and (iii) each of the Material Governmental Authorizations is valid, subsisting and in full force and effect.

(b) Except as set forth in Section 4.06(b) of the Company Disclosure Letter, the Company and the Company Subsidiaries have each conducted for the past three years, and continue to conduct, its business in compliance with all applicable Laws in all material respects, except as would not be material to the business of the Company and the Company Subsidiaries.

(c) This Section 4.06 does not relate to matters with respect to Taxes, which are the subject of Section 4.10, employee benefits matters, which are the subject of Section 4.13, labor relations matters, which are the subject of Section 4.14, intellectual property matters, which are the subject of Section 4.15, or environmental matters, which are the subject of Section 4.17.

SECTION 4.07. Litigation. Except as set forth in Section 4.07 of the Company Disclosure Letter:

(a) As of the date of this Agreement, there is no Action pending or, to the Knowledge of the Company, threatened in writing against the Company, any of the Company

Subsidiaries or their respective directors in their capacities as such (i) to enjoin, prohibit or declare unlawful the Transaction, including the Merger, or (ii) that involves an Action where the amount in controversy is in excess of \$200,000.

(b) As of the date of this Agreement, there are no material Orders outstanding against the Company or any of the Company Subsidiaries or their respective businesses, assets or properties.

SECTION 4.08. Company Financial Statements.

(a) Section 4.08(a) of the Company Disclosure Letter sets forth true and complete copies of (i) the unaudited consolidated balance sheet of the Company (including the Company Subsidiaries and Katahdin) as of December 31, 2018 and December 31, 2017, and the related unaudited consolidated statements of operations and cash flows for the fiscal years then ended (such financial statements, the “Annual Financial Statements”) and (ii) the unaudited consolidated balance sheet of the Company (including the Company Subsidiaries and Katahdin) as of September 30, 2019 (the “Interim Balance Sheet”), and the related unaudited consolidated statements of operations for the nine (9) months then ended (such financial statements, the “Interim Financial Statements”, and together with the Annual Financial Statements, the “Company Financial Statements”). The Company Financial Statements (A) fairly present in all material respects the consolidated financial condition and the consolidated results of operations, and, with respect to the Annual Financial Statements only, cash flows of the Company, the Company Subsidiaries and Katahdin, as of the respective dates of, and for the periods referred to in, the Company Financial Statements and (B) have been prepared in accordance with GAAP, applied on a consistent basis during the periods involved, except for the absence of footnotes and in the case of the Interim Financial Statements normal year-end adjustments which are not material in amount.

(b) Except for those liabilities and obligations: (i) reserved against or provided for in the Interim Balance Sheet; (ii) incurred in the ordinary course of business consistent with past practice since the date of the Interim Balance Sheet; (iii) as contemplated by this Agreement or the Ancillary Agreements or otherwise incurred in connection with the Transaction; (iv) that have been discharged or paid prior to the date of this Agreement; or (v) that, individually or in the aggregate, have not had or would reasonably be expected to have a Company Material Adverse Effect, none of the Company or any Company Subsidiary is, as of the date hereof, subject to any liabilities or obligations of any nature, whether accrued, absolute, determined, determinable, fixed or contingent, that would be required to be recorded or reflected on a balance sheet in accordance with GAAP as of the date hereof. As of the date of this Agreement, none of the Company or any Company Subsidiary is a party to, and does not have any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract or arrangement (including any Contract relating to any transaction or relationship between or among the Company and any of the Company Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand), or any “off-balance sheet arrangements”, where the result, purpose or effect of such contract or arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of the Company Subsidiaries in the Company Financial Statements.

SECTION 4.09. No Company Material Adverse Effect. Since December 31, 2018 there has not been any event or occurrence which has had or is reasonably likely to have a Company Material Adverse Effect.

SECTION 4.10. Taxes.

(a) Except as set forth in Section 4.10 of the Company Disclosure Letter:

(i) all material Tax Returns required to be filed with respect to the Company and the Company Subsidiaries relating to any taxable year or period that ends on or before or includes the Closing Date have been or will be timely filed (taking into account any extensions), all such Tax Returns are correct and complete in all material respects and all Taxes shown as due on such Tax Returns have been paid;

(ii) the Company and its Subsidiaries have fully and timely paid all material Taxes required to be paid by or with respect to them, and have made adequate provision in the financial statements of the Company (in accordance with GAAP) for Taxes not yet due and payable;

(iii) no material deficiency with respect to any Taxes has been asserted in writing against the Company or any Company Subsidiary, which deficiency (A) has not been paid, settled or withdrawn or (B) is not being contested in good faith by appropriate proceedings;

(iv) there are no Liens (other than Permitted Liens) for Taxes on the assets of the Company or any Company Subsidiary;

(v) there are no material ongoing Tax Proceedings with respect to Taxes of the Company or any Company Subsidiary;

(vi) there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax Returns required to be filed by or with respect to the Company or any Company Subsidiary with respect to a material amounts of Taxes;

(vii) the Company and each Company Subsidiary has withheld and paid all material Taxes required to have been withheld and paid in connection with amounts paid to any employee, creditor, stockholder or other third party;

(viii) there are no material unresolved deficiencies or additions to Taxes that have been proposed, asserted or assessed in writing against the Company or any of its Subsidiaries;

(ix) Neither the Company nor any Company Subsidiary is a party to any indemnification, allocation or sharing agreement with respect to Taxes that could give rise to a material payment or indemnification obligation (other than agreements among the Company and the Company Subsidiaries and other customary Tax indemnifications contained in credit or other commercial agreements the primary purpose of which does not

relate to Taxes). Neither the Company nor any Company Subsidiary has any liability for the Taxes of any Person under Treasury regulation section 1.1502-6 (or any similar provision of state, local or foreign law), or as a transferee or successor;

(x) neither the Company nor any Company Subsidiary has entered into any closing agreement pursuant to Section 7121 of the Code or any similar provision of any state, local or foreign law with respect to a material amounts of Taxes; and

(xi) Since January 1, 2016, neither the Company nor any Company Subsidiary has been a controlled corporation or a distributing corporation in respect of a distribution to which Section 355 of the Code was intended to apply.

(b) Notwithstanding any other provision of this Agreement to the contrary, except to the extent that Section 4.13 contains express representations or warranties with respect to Taxes, this Section 4.10 contains the sole and exclusive representations and warranties of the Company with respect to Taxes.

SECTION 4.11. Title to Properties.

(a) Section 4.11(a) of the Company Disclosure Letter sets forth (i) a list of all material real property comprising the Company's and the Company Subsidiaries' main line and secondary line tracks and right-of-way (including all real property owned in fee simple, all easements and all trackage rights and other rights of use) with milepost summaries, railroad yards and terminal facilities, on which the Company and the Company Subsidiaries conduct rail freight operations, (ii) a list of any other real property that is not listed under clause (i) (whether or not used in connection with railroad operations) owned by the Company or any Company Subsidiary that is material to the operations of the Company and the Company Subsidiaries taken as a whole and (iii) identifies real property referred to in clause (i) or clause (ii) that is not Owned Real Property (the "Material Leased Real Property") and the type of interest (lease, license etc.), the name of the parties to the related agreement and the expiration date of the agreement related to the Material Leased Real Property.

(b) Except as set forth in Section 4.11(b) of the Company Disclosure Letter either the Company or a Company Subsidiary has, with respect to each parcel or segment of real property owned by the Company or any of the Company Subsidiaries ("Owned Real Property"), title, and, with respect to real property otherwise used by the Company or any Company Subsidiary ("Other Real Property Interests"), a leasehold, easement, right of way, trackage rights, license or other interest or right of possession, use or access, in each case which is sufficient to permit Parent and the Surviving Corporation to operate as railroads or conduct such business following consummation of the Transaction in substantially the same manner as is currently conducted or carried on by the Company Subsidiaries, in each case free and clear of all Liens, except for Permitted Liens.

(c) Except as set forth in Section 4.11(c) of the Company Disclosure Letter, (i) each lease or sublease pursuant to which the Company or a Company Subsidiary has a leasehold interest in any Material Leased Real Property (each such lease or sublease, a "Lease") (together with any amendment thereto) is valid and binding on the Company or the Company Subsidiary

party thereto and, to the Knowledge of the Company, each other party thereto, and is in full force and effect, (ii) none of the Company or any Company Subsidiary is in default under any Lease or has received notice of any asserted default by the Company or any Company Subsidiary party thereto under any Lease, (iii) no event or condition exists which constitutes, or after notice or lapse of time or both would constitute, a default on the part of the Company or any Company Subsidiary under any Lease, (iv) as of the date of this Agreement, no other party to such Lease is, to the Knowledge of the Company, in default in any respect thereunder, (v) as of the date of this Agreement, none of the Company or any Company Subsidiary has received written notice from any other party to a Lease that such other party intends to terminate, not renew, or renegotiate in any material respect the terms of, any such Lease and (vi) the Company has made available to Parent and true and correct copy of each Lease.

(d) Except as set forth in Section 4.11(d) of the Company Disclosure Letter, none of the Company or the Company Subsidiaries has received written notice of any condemnation proceeding or proposed action or agreement for taking in lieu of condemnation, nor is any such proceeding, action or agreement pending or, to the Knowledge of the Company, threatened in writing, with respect to any material portion of the Owned Real Property or Other Real Property Interests.

(e) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each of the Company and any Company Subsidiary has good title to, or a valid leasehold interest in, all of its material tangible personal property and assets, in each case free and clear of all Liens, except for Permitted Liens.

(f) Katahdin does not hold any material assets, property or Governmental Authorizations material to the continued operation of the Company or the Company Subsidiaries.

SECTION 4.12. Related Party Agreements.

(a) Except as set forth in Section 4.12(a) of the Company Disclosure Letter or to be entered into in connection with the Pre-Closing Reorganization, none of the Company or the Company Subsidiaries is party to any material Contract, arrangement or other commitment with any Person owning five percent (5%) or more of the Units, any Affiliate of such Person or any director or officer of the Company or any of the Company Subsidiaries, other than (i) agreements with Persons under common control with the Company entered into on arm's length terms, (ii) outstanding employment arrangements between the Company or any Company Subsidiary and any of their respective directors and officers and any Benefit Plans of the Company and any Company Subsidiary or (iii) agreements entered into between the Company, on the one hand, and any of the Company Subsidiaries, on the other hand, or among the Company Subsidiaries.

(b) There are no loans for borrowed money (whether or not evidenced by a promissory note) between the Company or any Company Subsidiary, on the one hand, and any holder of Units or any of its Affiliates, on the other hand.

SECTION 4.13. Employee Benefit Plans.

(a) Section 4.13(a) of the Company Disclosure Letter contains a true and complete list, as of the date hereof, of each material Benefit Plan. For purposes of this Agreement, “Benefit Plan” means (i) each “employee benefit plan” (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”)) (whether or not subject to ERISA) that, as of the date hereof, the Company or any of the Company Subsidiaries sponsors, participates in, is a party or contributes to (or is required to contribute to), (ii) each other employee benefit plan, program, policy or arrangement, whether written or oral, including any equity option, equity purchase, equity appreciation right, phantom equity or other equity or equity-based incentive plan, cash bonus or incentive compensation arrangement, retirement, pension, vacation, holiday, cafeteria, medical, life insurance, disability, retiree healthcare, retiree life insurance, deferred compensation, profit sharing, change in control, retention, or severance compensation plan, program, policy or arrangement, in each case, that does not constitute an “employee benefit plan” (as defined in Section 3(3) of ERISA) and that, as of the date hereof, the Company or any of the Company Subsidiaries sponsors, participates in, is a party or contributes to (or is required to contribute to) and (iii) each material employment, severance, change in control or consulting agreement, in each case, between the Company or any of the Company Subsidiaries, on the one hand, and any current or former officer, employee or director, or other individual service provider, of the Company or any of the Company Subsidiaries (each such current or former officer, employee, director, or other individual service provider, a “Company Employee”) that does not constitute an “employee benefit plan” (as defined in Section 3(3) of ERISA), other than, in the case of each of clauses (i), (ii) and (iii) of this Section 4.13(a), any collective bargaining agreement or similar labor agreement or any arrangement maintained by a Governmental Entity.

(b) With respect to each material Benefit Plan, the Company has made available to Parent true and complete copies of (as applicable): (i) each such Benefit Plan, including any material amendment thereto, or a summary thereof; (ii) each trust, insurance contract, or other funding arrangement related thereto; (iii) each summary plan description and summary of material modifications, summaries of benefits and coverage and each currently effective employee handbook that describes the terms of such a Benefit Plan; (iv) the two most recently filed annual report on IRS Form 5500 with respect thereto; (v) the most recent financial statements and actuarial or other valuation reports prepared with respect thereto; (vi) the most recent Internal Revenue Service determination or opinion letter relating to each Benefit Plan intended to be “qualified” within the meaning of Section 401(a) of the Code; (vii) copies of material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Entity relating to the Benefit Plan; and (viii) each contract with any third party by which a Benefit Plan is administered.

(c) None of the Company or any of the Company Subsidiaries maintains, contributes to, or sponsors, or would reasonably be expected to have any liability under, a plan subject to Title IV of ERISA or Section 412 of the Code or a multiemployer plan as defined in Section 3(37) and 4001(a)(3) of ERISA, including liability resulting from the Company or a Company Subsidiary and another organization being treated as a single employer pursuant to Section 414 of the Code or from the Company or a Company Subsidiary being treated as a successor employer to another organization. No employees, other than current and former employees of the Company, Company Subsidiaries or Katahdin, participate in the Benefit Plans.

(d) Each Benefit Plan has been operated and administered in all material respects in accordance with its terms and applicable Law, including but not limited to ERISA and the Code. There are no Actions pending or threatened in writing by or on behalf of any Benefit Plan, by any Company Employee or beneficiary covered under any such Benefit Plan, as applicable, or otherwise involving any such Benefit Plan (other than routine claims for benefits), except as has not had, individually or in the aggregate, a Company Material Adverse Effect.

(e) With respect to each Benefit Plan intended to be “qualified” within the meaning of Section 401(a) of the Code, (i) each such Benefit Plan has received a favorable determination or opinion letter from the Internal Revenue Service with respect to its qualification and (ii) to the Knowledge of the Company, no event has occurred that could reasonably be expected to result in disqualification.

(f) No Benefit Plan provides welfare benefits, including death or medical benefits (whether or not insured), beyond retirement or termination of service, other than (i) coverage mandated solely by applicable Law, (ii) coverage or benefits the future cost of which is borne by the applicable Company Employee, (iii) coverage provided in connection with severance benefits or entitlements to notice of termination of employment, the terms of which have been made available to Parent in documents provided to pursuant to Section 4.13(b) hereof, or (iv) coverage through the end of the month in which termination occurs.

(g) Except as set forth in Section 4.13(g) of the Company Disclosure Letter, the consummation of the Transaction will not, either alone or in combination with another event, (i) entitle any Company Employee to any material severance pay, notice of termination of employment or indemnity in lieu thereof, or any other material payment under any Benefit Plan, except as expressly provided in this Agreement or (ii) result in the acceleration of the time of payment, vesting or funding, or increase the amount, of any material compensation due any Company Employee under any Benefit Plan.

(h) Except as set forth in Section 4.13(h) of the Company Disclosure Letter, the consummation of the Transaction will not, either alone or in combination with another event, result in the payment of “excess parachute payments” within the meaning of Section 280G(b) of the Code.

(i) Each Benefit Plan that primarily covers Company Employees based outside of the United States and/or that is governed by the Laws of any jurisdiction outside of the United States: (i) which is a funded plan is fully funded on both a going concern and a solvency basis based on reasonable actuarial assumptions in accordance with applicable accounting principles; (ii) is not a defined benefit plan (as defined under Section 147.1(1) of the Income Tax Act (Canada) or multi-employer plan); (iii) if required to be registered under the Laws of a jurisdiction outside of the United States, has been registered and has been maintained in good standing with the appropriate regulatory authorities; (iv) has been administered in accordance with its terms; (v) has been maintained and operated in compliance with all applicable Laws; and (vi) all required employer and employee contributions required by Law or the terms of such Benefit Plan have been timely made.

(j) Each individual who is classified by the Company as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan, and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Entity or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity.

(k) Each Benefit Plan that is subject to Section 409A of the Code has been administered in compliance in all material respects with its terms and in compliance with the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. Neither the Company nor any Company Subsidiary has any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest, or penalties incurred pursuant to Section 409A of the Code.

(l) Except to the extent (A) otherwise provided in a collective bargaining agreement listed in Section 4.14(a) of the Company Disclosure Letter, or (B) otherwise provided in any document the Company has made available to Parent with respect to a Benefit Plan listed on Section 4.13(a) of the Company Disclosure Letter, each Benefit Plan can be amended, terminated, or otherwise discontinued after the Closing in accordance with its terms, without material liabilities to Parent, the Company or the Company Subsidiaries other than ordinary administrative expenses typically incurred in a termination event, and, except as provided in Section 3.03, the Company and the Company Subsidiaries have no commitment or obligation and have not made any representations to any Company Employee, whether or not legally binding, to adopt, amend, modify, or terminate any Benefit Plan, in connection with the consummation of the transactions contemplated by this Agreement.

(m) With respect to the Benefit Plans, no event has occurred and, to the knowledge of the Company, there exists no condition or set of circumstances in connection with which the Company or the Company Subsidiaries could be subject to any liability (other than liability for providing benefits and compensation in the ordinary course) under the terms of such Benefit Plans, ERISA, the Code or any other applicable Law which would have a Company Material Adverse Effect.

SECTION 4.14. Labor Relations.

(a) Except as listed in Section 4.14(a) of the Company Disclosure Letter, as of the date hereof, no collective bargaining agreement is currently being negotiated by the Company or any of the Company Subsidiaries, and there is no labor strike, dispute, slowdown, stoppage or lockout, unfair labor practice charge, court action related to a union or collective bargaining agreement, or a material grievance actually pending or threatened in writing against or affecting the Company or any of the Company Subsidiaries. Except as listed in Section 4.14(a) of the Company Disclosure Letter, none of the Company or any of the Company Subsidiaries is party to any collective bargaining agreement or similar labor agreement. Except as listed in Section 4.14(a) of the Company Disclosure Letter, the Company and each Company Subsidiary is in compliance in all material respects with all applicable Laws respecting labor, employment and employment practices, terms and conditions of employment, wages, hours of work, pay equity,

nondiscrimination, affirmative action, immigration and occupational safety and health, and, to the Knowledge of the Company, are not engaged in any material unfair labor practices as defined in the National Labor Relations Act of 1935, the Railway Labor Act of 1926 or other applicable Law.

(b) Since the date of the Interim Balance Sheet, the Company and any Company Subsidiary have not effectuated (i) a “plant closing” as defined in the Worker Adjustment and Retraining Notification Act of 1988 (or similar foreign, state or local laws) (the “WARN Act”) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company or any of the Company Subsidiaries or (ii) a “mass layoff” or “group termination” as defined in the WARN Act or other applicable Laws affecting any site of employment or facility of the Company or any of the Company Subsidiaries.

SECTION 4.15. Intellectual Property.

(a) Section 4.15(a) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all Intellectual Property Rights registered, applied for, or recorded with any Governmental Entity or authorized private registrar, and all unregistered material Trademarks, owned by the Company or any Company Subsidiary, including without limitation domain name registrations and social media accounts. The Company or a Company Subsidiary owns, or is licensed or otherwise has the right to use, all Intellectual Property Rights necessary for the business of the Company and any Company Subsidiary as presently conducted. The conduct of the business of the Company and any Company Subsidiary as currently conducted does not, and as conducted in the past three years, did not, infringe, misappropriate or otherwise violate any Intellectual Property Rights of any Person. No claims are pending or, to the Knowledge of the Company, threatened alleging that the Company or any Company Subsidiary is infringing or misappropriating, or has infringed or misappropriated, the Intellectual Property Rights of any Person. To the Knowledge of the Company, as of the date of this Agreement, no Person is infringing or misappropriating the Intellectual Property Rights of the Company or any Company Subsidiary.

(b) Section 4.15(b) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all material licenses of Intellectual Property Rights granted to or by the Company or any Company Subsidiary, excluding licenses of Off-the-Shelf Software, and each such license is valid and binding on the Company or Company Subsidiary, as applicable, in accordance with its terms, and neither the Company nor any Company Subsidiary are in material breach of such licenses.

(c) To the Knowledge of the Company, there have been no material unauthorized intrusions, incidents of exceeded authority, or breaches of the security of information technology systems with respect to Company or any Company Subsidiary. To the Knowledge of the Company, there have been no material unauthorized intrusions, incidents of exceeded authority, or breaches of the security of information technology systems at any information technology vendor, data center, or other hosting provider facility at which any software or data of the Company or any Company Subsidiary has been hosted or stored. The collection, use and dissemination of any personally-identifiable information concerning individuals by the Company and the Company Subsidiary is in material compliance with all applicable privacy policies, terms of use, and Laws applicable to the Company and the Company Subsidiary.

SECTION 4.16. Brokers. No broker, finder or investment banker (other than BMO Capital Markets Corp., the fees and expenses of which will be paid by the Company) is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the Transaction based upon arrangements made by or on behalf of the Company, the Company Subsidiaries or any of their respective directors, officers or employees.

SECTION 4.17. Environmental Matters.

(a) Except as set forth in Section 4.17(a) of the Company Disclosure Letter, as otherwise provided in Section 4.17(c) with respect to the Lac Megantic Tracks or has not had, individually or in the aggregate, a Company Material Adverse Effect:

(i) The Company and each Company Subsidiary are in compliance with, and for the past three years have been in compliance with, all applicable Environmental Laws and all Environmental Permits, except for such matters that have been resolved without any pending, ongoing or future obligation, cost or liability.

(ii) (A) There are no underground or aboveground storage tanks or any surface impoundments, septic tanks, wells, pits, sumps or lagoons in which Hazardous Substances are being or, to the Knowledge of the Company, have been treated, stored or disposed of on any of the Real Property or, during the period of the Company's or any Company Subsidiary's ownership, lease, use or occupancy thereof, on any property formerly owned, leased, used or occupied by the Company or any Company Subsidiary, and (B) to the Knowledge of the Company, neither the Company nor any Company Subsidiary has engaged in operation or activities upon any of the Real Property for the purpose of, or in any way involving, the handling, manufacture, treatment, processing, storage, use, generation or Release of any Hazardous Substances, at, on, or under such Real Property, except in each case of (A) and (B), in compliance in all material respects with all applicable Environmental Laws.

(iii) To the Knowledge of the Company, there has been no Release of any Hazardous Substance by the Company or any Company Subsidiary, other than in the ordinary course of business, on any of the Real Property or, during the period of the Company's or any Company Subsidiary's ownership, lease, use or occupancy thereof, by the Company or any Company Subsidiary on any property formerly owned, leased, used or occupied by the Company or any Company Subsidiary in a manner that could reasonably be expected to result in Liability to the Company or any Company Subsidiary under Environmental Laws.

(iv) Neither the Company nor any Company Subsidiary is conducting or paying for or, to the Knowledge of the Company, is obligated to conduct or pay for, any Remedial Action at the Real Property or at any other location, either voluntarily or pursuant to the order of any Governmental Entity or the requirements of any Environmental Law or Environmental Permit.

(v) To the Knowledge of the Company, there is no asbestos or asbestos-containing material on any of the Real Property.

(vi) To the Knowledge of the Company, none of the Real Property is listed or proposed for listing on the National Priorities List, CERCLIS, SEMS, the *Répertoire des terrains contaminés* or on any analogous federal, state, provincial or local list.

(vii) No Environmental Claim has been received by the Company or any Company Subsidiary, and there are no Environmental Claims pending or, to the Knowledge of the Company, threatened against the Company, any Company Subsidiary or the Real Property, and, to the Knowledge of the Company, there are no circumstances that can reasonably be expected to form the basis of any such Environmental Claim.

(viii) None of the Company or the Company Subsidiaries is party to any Order that imposes any obligations under any Environmental Laws.

(ix) There are no outstanding material requests from a Governmental Entity for information relating to Environmental Laws, Environmental Permits or Hazardous Substances.

(b) The Company has made available to Parent copies of (i) any environmental assessment or audit reports or other similar environmental studies or analyses relating to the Company and the Company Subsidiaries, their operations and the Real Property that are in the Company's or any Company Subsidiary's possession or reasonable control and (ii) all insurance policies issued within the three-year period immediately prior to the date hereof that may currently provide coverage to the Company or any Company Subsidiary for any environmental matters.

(c) Notwithstanding Section 4.17(a), neither the Company nor any other Person makes any express or implied representation or warranty with respect to the environmental condition of, compliance with Environmental Laws of, or the presence of Hazardous Substances on or along, the Lac Megantic Tracks.

(d) Section 4.17(d) of the Company Disclosure Letter sets forth a list of all material Governmental Authorizations of the Company and the Company Subsidiaries related to environmental matters (the "Material Environmental Authorizations"). Except as set forth in Section 4.17(d) of the Company Disclosure Letter, (i) to the Knowledge of the Company no event has occurred or condition or state of facts exists which constitutes or, after notice or lapse of time or both, would constitute a material breach or default under any Material Environmental Authorization or which permits or, after notice or lapse of time or both, would permit revocation or termination of any Material Environmental Authorization, or which might materially and adversely affect the rights of the Company or any Company Subsidiary under any such Material Environmental Authorization; (ii) no written notice of cancellation, of default or of any dispute concerning any Material Environmental Authorization, or of any event, condition or state of facts described in the preceding clause, has been received by the Company or any Company Subsidiary; and (iii) each of the Material Environmental Authorizations is valid, subsisting and in full force and effect.

(e) Notwithstanding any other provision in this Agreement to the contrary, Section 4.05(b) and this Section 4.17 contain the sole and exclusive representations and warranties

of the Company with respect to Hazardous Substances, Environmental Laws and Environmental Permits.

SECTION 4.18. Material Contracts.

(a) Section 4.18(a) of the Company Disclosure Letter lists each of the following Contracts to which the Company or any Company Subsidiary is party or is bound as of the date hereof, excluding the Benefits Plans and the Leases (such Contracts, “Material Contracts”):

(i) Contracts containing restrictions on the right of the Company or any Company Subsidiary to engage in activities competitive with any Person or to solicit customers or suppliers anywhere in the world;

(ii) Contracts that provide for (A) Indebtedness (other than Indebtedness described in clause (c) of the definition thereof) or that relate to a swap or hedging transaction or other derivative agreement and (B) Indebtedness described in clause (c) of the definition thereof in excess of \$100,000;

(iii) Contracts with outstanding obligations for the Company or any Company Subsidiary to make any capital commitment or capital expenditure, other than acquisition of inventory, in excess of \$500,000;

(iv) Contracts that provide the Company or the Company Subsidiaries rights as to the operation, management or control of a partnership, joint venture or similar arrangement, unless such partnership, joint venture or similar arrangement is immaterial to the Company and any Company Subsidiary, taken as a whole;

(v) Contracts that relate to any acquisition of a business by the Company or any Company Subsidiary;

(vi) all material Contracts with any Governmental Entity;

(vii) each lease of personal property involving more than \$200,000 in the aggregate of rent over the remaining term of the lease;

(viii) all Contracts to sell or otherwise dispose of any assets having a fair market value in excess of \$500,000 other than in the ordinary course of business;

(ix) all Contracts under which the Company or any Company Subsidiary is or may become obligated to pay any amount in respect of deferred or conditional purchase price (other than ordinary trade terms), indemnification obligations, purchase price adjustment or otherwise in connection with any (a) acquisition or disposition of all or substantially all of the assets or securities constituting a line of business of any Person, (b) merger, consolidation or other business combination, or (c) series or group of related transactions or events of a type specified in subclauses (a) and (b);

(x) all Contracts for the pending purchase or sale of real property with a purchase price in excess of \$500,000;

(xi) all Contracts that require the Company or any Company Subsidiary to exclusively use a vendor or supplier or that contain a most favored nation provision;

(xii) all material guarantees of the obligations of officers, directors, employees, Affiliates (including Katahdin) or others entered into other than in the ordinary course of business;

(xiii) all material Contracts containing “paper barriers” as such term is generally understood in the railroad industry;

(xiv) all material Contracts granting demurrage relief to a shipper other than those entered into in the ordinary course of business;

(xv) all material Contracts imposing car or other equipment supply obligations entered into other than in the ordinary course of business;

(xvi) all material Contracts granting another common carrier the right to use all or any portion of the Real Property or rail lines, yards or other facilities of the Company or any Company Subsidiary (including yard(s) and other facilities) or the right to serve industries located on the Real Property or rail lines, yards or other facilities of the Company or any Company Subsidiary;

(xvii) all material Contracts granting the right to use all or any portion of the rail line, yards or other facilities of another common carrier which relate to the Real Property;

(xviii) all Contracts with shippers for rail transportation that entitles the Company or any Company Subsidiary to receive \$200,000 or more in any consecutive 12-month period; and

(xix) any other Contract that obligates the Company or any Company Subsidiary to pay, or that entitles the Company or any Company Subsidiary to receive, \$500,000 or more in any consecutive 12-month period that is not terminable without penalty upon 90 days prior written notice or less by the Company or any Company Subsidiary.

(b) Except as disclosed in Section 4.18(b) of the Company Disclosure Letter, (i) each Material Contract is valid and binding on the Company or the Company Subsidiary party thereto and, to the Knowledge of the Company, each other party thereto, and is in full force and effect, (ii) none of the Company or any Company Subsidiary is in material default under any Material Contract or has received notice of any asserted default by the Company or any Company Subsidiary party thereto under any Material Contract, (iii) no event or condition exists which constitutes, or after notice or lapse of time or both would constitute, a material default on the part of the Company or any Company Subsidiary under any Material Contract, (iv) as of the date of this Agreement, no other party to such Material Contract is, to the Knowledge of the Company, in material default in any respect thereunder, (v) as of the date of this Agreement, none of the Company or any Company Subsidiary has received written notice from any other party to a Material Contract that such other party intends to terminate, not renew, or renegotiate in any

material respect the terms of, any such Material Contract and (vi) upon consummation of the Transaction, each Material Contract shall continue in full force and effect without any change in control or prepayment expense or penalty without the consent, approval or act of, or the making of any filing with, any other Person.

(c) The Company has furnished or otherwise made available to Parent true and complete copies of each Material Contract.

SECTION 4.19. Absence of Certain Changes. Since December 31, 2018 until the date of this Agreement, except as set forth in Section 4.19 of the Company Disclosure Letter, the Company and each Company Subsidiary has conducted its business in the ordinary course consistent with past practice and neither the Company nor any Company Subsidiary has:

(a) (i) granted any material increase, or announced any material increase, in the wages, salaries, cash compensation, bonuses, or other cash incentives payable by the Company or any Company Subsidiary to any of its employees, including, without limitation, any such increase pursuant to any Benefit Plan, or (ii) established or materially increased or promised to materially increase any benefits under any material Benefit Plan, in either case (i) or (ii), except (A) as required by Law or any collective bargaining agreement or (B) for annual merit increases or increases in connection with promotions in the ordinary course of business consistent with the past practices of the Company;

(b) made any change in any method of accounting or accounting practice or policy used by the Company except as required by Law or GAAP;

(c) (i) sold, leased to others or otherwise disposed of, or mortgaged or pledged, or imposed or suffered to be imposed any Lien on, any of its assets with a fair market value in excess of \$500,000 other than in the ordinary course of business or (ii) entered into any contractual obligation relating to (A) the purchase of assets constituting a business, (B) any merger, consolidation or other business combination or (C) the acquisition of real property or undertaking capital expenditures in excess of \$500,000;

(d) entered into a collective bargaining agreement;

(e) abandoned or discontinued service on all or any part of the rail lines owned by the Company or any Company Subsidiary; or

(f) entered into any agreement or contractual obligation to do any of the things referred to in clauses (a) through (e) above.

SECTION 4.20. No Other Representations or Warranties. Except for the representations and warranties made by the Company in this Article IV, neither the Company nor any other Person makes any other express or implied representation or warranty with respect to the Company, the Company Subsidiaries or their respective businesses, operations, properties, assets, liabilities, condition (financial or otherwise) or prospects, or any estimates, projections, forecasts and other forward-looking information or business and strategic plan information regarding the Company or the Company Subsidiaries, notwithstanding the delivery or disclosure to Parent, Merger Sub or any of their respective Representatives of any documentation, forecasts or other information with

respect to any one or more of the foregoing. In particular, and without limiting the generality of the foregoing, neither the Company nor any other Person makes or has made any express or implied representation or warranty to Parent, Merger Sub or any of their respective Representatives with respect to (a) any financial projection, forecast, estimate, budget or prospect information relating to the Company, the Company Subsidiaries or their respective businesses or (b) except for the representations and warranties made by the Company in this Article IV, any oral or written information presented to Parent, Merger Sub or any of their respective Representatives in the course of their due diligence investigation of the Company and any Company Subsidiary, the negotiation of this Agreement or the course of the Transaction. Each of the Company and any Company Subsidiary disclaims any and all other representations and warranties, whether express or implied.

ARTICLE V.

Representations and Warranties of Parent and Merger Sub

Each of Parent and Merger Sub jointly and severally represent and warrant to the Company as follows:

SECTION 5.01. Organization, Standing and Power. Each of Parent and Merger Sub (i) is a limited liability company, corporation or other entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of its jurisdiction of formation, incorporation or organization, (ii) has full limited liability company, corporate or similar power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted, except where any failure to have such power or authority, individually or in the aggregate, has not had a material adverse effect on the ability of Parent or Merger Sub to perform its obligations under this Agreement or to consummate the Transaction (any such material adverse effect, a “Parent Material Adverse Effect”), and (iii) is duly qualified or licensed to do business as a foreign limited liability company, corporation or other entity and is in good standing (with respect to jurisdictions that recognize such concept) in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except where the failure to be so qualified or licensed, individually or in the aggregate, has not had a Parent Material Adverse Effect.

SECTION 5.02. Authority; Execution and Delivery; Enforceability. Each of Parent and Merger Sub has all necessary limited liability company, corporate or other power and authority to execute and deliver this Agreement and any Ancillary Agreement to which it is, or is specified to be, a party, to perform its obligations hereunder and thereunder and to consummate the Transaction, subject, in the case of the consummation of the Merger by Merger Sub, to the approval of this Agreement by Parent, as the sole member of Merger Sub, which approval will be obtained and delivered to Seller Representative as soon as reasonably practicable following the execution of this Agreement. The execution, delivery and performance by Parent and Merger Sub of this Agreement and any Ancillary Agreement to which it is, or is specified to be, a party, and the consummation by Parent and Merger Sub of the Transaction, have been duly authorized by all necessary limited liability company, corporate or other action, subject, in the case of the consummation of the Merger by Merger Sub, to the approval of this Agreement by Parent, as the sole member of Merger Sub. This Agreement has been duly executed and delivered by Parent and

Merger Sub, and each Ancillary Agreement to which Parent or Merger Sub is, or is specified to be, a party will at or prior to the Effective Time be duly executed and delivered by Parent or Merger Sub, as applicable. Assuming the due authorization, execution and delivery by the other parties thereto, this Agreement constitutes, and each Ancillary Agreement to which Parent or Merger Sub is, or is specified to be, a party will constitute, a legal, valid and binding obligation of Parent or Merger Sub, as applicable, enforceable against Parent or Merger Sub in accordance with its terms, except as enforcement thereof may be limited against Parent or Merger Sub by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing, or remedies in general, as from time to time in effect, or (ii) the exercise by courts of equity powers. No vote of holders of any class or series of equity interests of Parent is required in connection with the execution, delivery and performance by Parent of this Agreement and any Ancillary Agreement to which it is, or is specified to be, a party, and the consummation by Parent of the Transaction.

SECTION 5.03. No Conflicts; Consents.

(a) The execution and delivery by Parent and Merger Sub of this Agreement do not, the execution and delivery of each Ancillary Agreement to which it is, or is specified to be, a party will not, and the performance by Parent and Merger Sub of this Agreement and each Ancillary Agreement to which it is, or is specified to be, a party and the consummation of the Transaction will not, (i) conflict with or violate any provision of charter or organizational or similar documents of Parent, Merger Sub or any of their respective subsidiaries, (ii) assuming that all consents, approvals and authorizations contemplated by Section 5.03(b) below have been obtained, and all filings described therein have been made, conflict with or violate any Order or Law applicable to Parent, Merger Sub or any of their respective subsidiaries or by which any property or asset of Parent, Merger Sub or any of their respective subsidiaries is bound or affected or (iii) require any consent or other action by any Person under, result in a breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to others (immediately or with notice or lapse of time or both) any right of termination, amendment, acceleration or cancellation of, result (immediately or with notice or lapse of time or both) in triggering any payment or other obligations under, result in the loss of any right or benefit to which Parent, Merger Sub or any of their respective subsidiaries is entitled under or result (immediately or with notice or lapse of time or both) in the creation of any Lien on any property or asset of Parent, Merger Sub or any of their respective subsidiaries under, any Contract to which Parent, Merger Sub or any of their respective subsidiaries is a party or by which Parent, Merger Sub or any of their respective subsidiaries, or any property or asset of Parent, Merger Sub or any of their respective subsidiaries, is bound or affected, except in the case of clauses (ii) and (iii) above for any such conflicts, violations, breaches, defaults or other occurrences that, individually or in the aggregate, have not had a Parent Material Adverse Effect.

(b) The execution and delivery by Parent and Merger Sub of this Agreement do not, the execution and delivery of each Ancillary Agreement to which it is, or is specified to be, a party will not, and the performance by Parent and Merger Sub of this Agreement and each Ancillary Agreement to which it is, or is specified to be, a party and the consummation of the Transaction will not, require any Consent of, or filing with or notification to, or registration or qualification with, any Governmental Entity, except for (i) the filing of the Certificate of Merger

with the Department of State of the State of Delaware, (ii) compliance with and such filings as may be required under applicable state property transfer laws or Environmental Laws, (iii) such filings as may be required in connection with the Transfer Taxes described in Section 7.09, (iv) STB Approval, CTA Approval and TC Approval and (v) such other items (A) required solely by reason of the participation of the Company (as opposed to any third party) in the Transaction or (B) that, individually or in the aggregate, have not had a Parent Material Adverse Effect.

SECTION 5.04. Brokers. No broker, finder or investment banker (other than CIBC World Markets Inc., the fees and expenses of which will be paid by Parent) is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the Transaction based upon arrangements made by or on behalf of Parent, Merger Sub or any of their respective directors, officers or employees.

SECTION 5.05. Available Funds. Concurrently with the execution of this Agreement, Guarantor has delivered to the Company a copy of the Guaranty duly executed by the Guarantor. The Guaranty is in full force and effect and is a valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, receivership and similar laws affecting the enforcement of creditors' rights generally and general equitable principles) and no event has occurred which, with or without notice, lapse of time or both, could constitute a default on the part of the Guarantor under the Guaranty. As of the date of this Agreement, Guarantor has, and as of the Closing Date, Guarantor will have, cash on hand that is sufficient to enable Parent and the Merger Sub to consummate the Transaction.

SECTION 5.06. Litigation. As of the date of this Agreement, there is no Action pending or to the Knowledge of Parent, threatened – in writing against Parent, Merger Sub or any of their respective subsidiaries (i) to enjoin, prohibit or declare unlawful the Transaction, including the Merger, or (ii) that, individually or in the aggregate, has had a Parent Material Adverse Effect, nor are there any Orders outstanding against Parent, Merger Sub or any of their respective subsidiaries that, individually or in the aggregate, has had a Parent Material Adverse Effect.

SECTION 5.07. Merger Sub. Merger Sub was formed solely for the purpose of engaging in the Transaction. Except for Liabilities incurred in connection with its formation or the Transaction, Merger Sub has not, and prior to the Effective Time will not have, incurred, directly or indirectly through any Affiliate, any Liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person. All of the membership interests of Merger Sub have been, to the extent applicable, validly issued, are fully paid and nonassessable and are owned by Parent, free and clear of any Lien.

SECTION 5.08. Canada Insurance Indemnity. Each of Parent and Merger Sub acknowledges and agrees that the Indemnity Agreement between Sponsor and CMQR Canada dated as of June 15, 2015, as amended (the "Canada Insurance Indemnity"), will be terminated as of the Closing Date, and that Parent and Merger Sub may be required to provide a substitute indemnification arrangement with the CTA in order to maintain the Certificate of Fitness to operate as a railway company from and after the Closing Date.

SECTION 5.09. No Additional Representations; No Reliance.

(a) Each of Parent and Merger Sub acknowledges and agrees that except for the representations and warranties made by the Company in Article IV, neither the Company nor any other Person makes any other express or implied representation or warranty with respect to the Company, the Company Subsidiaries or their respective businesses, operations, properties, assets, liabilities, condition (financial or otherwise) or prospects, or any estimates, projections, forecasts and other forward-looking information or business and strategic plan information regarding the Company or the Company Subsidiaries, notwithstanding the delivery or disclosure to Parent, Merger Sub or any of their respective Representatives of any documentation, forecasts or other information with respect to any one or more of the foregoing. Each of Parent and Merger Sub acknowledges and agrees that, without limiting the generality of the foregoing, neither the Company nor any other Person makes or has made any express or implied representation or warranty to Parent, Merger Sub or any of their respective Representatives with respect to (a) any financial projection, forecast, estimate, budget or prospect information relating to the Company, the Company Subsidiaries or their respective businesses or (b) except for the representations and warranties made by the Company in Article IV, any oral or written information presented to Parent, Merger Sub or any of their respective Representatives in the course of their due diligence investigation of the Company and any Company Subsidiary, the negotiation of this Agreement or the course of the Transaction. Each of Parent and Merger Sub acknowledges and agrees that neither the Company nor any other Person will have or be subject to any liability or other obligation to Parent, Merger Sub, any of their respective Affiliates or Representatives or any Person resulting from the consummation of the Transaction or the use by Parent, Merger Sub or any of their respective Affiliates or Representatives of any such information, including information, documents, projections, forecasts or other material made available to Parent, Merger Sub or any of their respective Affiliates or Representatives in the Confidential Information Memorandum, any “data rooms”, teaser, confidential information or management presentations in connection with the Transaction, unless any such information is expressly and specifically included in a representation or warranty contained in Article IV; *provided, however*, that the limitation in this sentence shall not limit the liability of any Company Affiliate arising as a result of Acquired Company Fraud. In addition to the foregoing, each of Parent and Merger Sub acknowledges and agrees that (x) neither the Company nor any other Person has made any express or implied representation or warranty with respect to the environmental condition of, compliance with Environmental Laws of, or the presence of Hazardous Substances on or along, the Lac Megantic Tracks, and (y) Parent and Merger Sub shall accept the Lac Megantic Tracks “as is, where-is” and with all faults and defects in their present condition.

(b) Each of Parent and Merger Sub acknowledges and agrees that, in connection with Parent’s and Merger Sub’s investigation of the business of the Company and any Company Subsidiary, the Company has delivered, or made available to Parent, Merger Sub and their respective Affiliates and Representatives, certain projections and other forecasts, including but not limited to, projected financial statements, cash flow items and other data relating to the business of the Company and any Company Subsidiary and certain business plan information of such business. Each of Parent and Merger Sub acknowledges and agrees that there are uncertainties inherent in attempting to make such projections and other forecasts and plans and accordingly are not relying on them, that Parent and Merger Sub are familiar with such uncertainties, that Parent and Merger Sub are taking full responsibility for making their own evaluation of the adequacy and accuracy of all projections and other forecasts and plans so furnished to them, and that Parent, Merger Sub and their respective Affiliates and Representatives shall have no claim against any

Person with respect thereto; *provided, however*, that the limitation in this sentence shall not limit the liability of any Company Affiliate arising as a result of Acquired Company Fraud. Accordingly, each of Parent and Merger Sub acknowledges and agrees that none of the Company or the Company Subsidiaries or any of their respective Representatives, agents or Affiliates has made any representation or warranty with respect to such projections and other forecasts and plans.

(c) Each of Parent and Merger Sub acknowledges and agrees that the obligation of Parent and Merger Sub to consummate the Transaction is not conditioned by, or contingent upon, obtaining the CTA Approval and/or the TC Approval.

(d) Notwithstanding anything contained in this Agreement, each of Parent and Merger Sub acknowledges and agrees that it is the explicit intent of the parties hereto that none of the Company or the Company Subsidiaries is making any representation or warranty whatsoever, express or implied, beyond those expressly given in Article IV, including any implied warranty or representation as to the value, condition, non-infringement, merchantability, suitability or fitness for a particular purpose with respect to any of the assets of the business of the Company or the Company Subsidiaries.

(e) In furtherance of the foregoing, each of Parent and Merger Sub acknowledges and agrees that it is not relying on any representation or warranty of the Company or the Company Subsidiaries, other than those representations and warranties specifically set forth in Article IV. Each of Parent and Merger Sub acknowledges and agrees it has conducted to its satisfaction an independent investigation of the financial condition, liabilities, results of operations and projected operations of the business of the Company and any Company Subsidiary and the nature and condition of their properties, assets and businesses and, in making the determination to proceed with the Transaction, and that it has relied solely on the results of its own independent investigation and the representations and warranties set forth in Article IV.

ARTICLE VI.

Covenants Relating to Conduct of Business

SECTION 6.01. Operation of the Business of the Company and any Company Subsidiary.

(a) Except in respect of matters (i) required by applicable Law, Order or a Governmental Entity, (ii) set forth in Section 6.01 of the Company Disclosure Letter, (iii) consented to by Parent in writing (which consent shall not be unreasonably withheld, delayed or conditioned) or (iv) set forth in or as otherwise contemplated, permitted or required by this Agreement (including with respect to the Pre-Closing Reorganization), the Company covenants and agrees that between the date of this Agreement and the Effective Time, the Company shall and shall cause each of the Company Subsidiaries to use commercially reasonable efforts to, (x) maintain its existence in good standing under applicable Law, (y) subject to the restrictions and exceptions set forth in Section 6.01(b) or elsewhere in this Agreement, conduct its business and operations in the ordinary course of business and in a manner substantially consistent with prior practice and (z) preserve substantially intact its business organizations, keep available the services of its current officers and employees and preserve substantially intact the current relationships of the Company and any Company Subsidiary with customers, suppliers, distributors and other

Persons with which the Company or any of the Company Subsidiaries has business relations that are material to the Company and any Company Subsidiary, taken as a whole; *provided, however*, that no action by the Company or any of the Company Subsidiaries with respect to matters specifically addressed by Section 6.01(b) shall be deemed to be a breach of this Section 6.01(a) unless such action would constitute a breach of Section 6.01(b).

(b) Without limiting the foregoing, except in respect of matters (w) required by applicable Law, Order or a Governmental Entity, (x) set forth in Section 6.01 of the Company Disclosure Letter, (y) consented to by Parent in writing (which consent shall not be unreasonably withheld, delayed or conditioned) or (z) set forth in or as otherwise contemplated, permitted or required by this Agreement (including with respect to the Pre-Closing Reorganization), the Company covenants and agrees that between the date of this Agreement and the Effective Time, the Company shall not and shall cause each of the Company Subsidiaries not to:

(i) in the case of the Company, (A) adjust, split, combine or reclassify any of its Units or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, Units or (B) repurchase, redeem or otherwise acquire or offer to repurchase, redeem or otherwise acquire, directly or indirectly, any Units or any Equity Rights;

(ii) issue, deliver or sell any Units or any Equity Rights or any capital stock or membership interests in any of any of the Company Subsidiaries, other than issuances, deliveries or sales of capital stock or membership interests in any Company Subsidiary to the Company or another Company Subsidiary;

(iii) amend or otherwise change the Company Charter or Company Agreement (whether by merger, consolidation or otherwise);

(iv) purchase an equity interest in any Person or any division or business thereof if the aggregate amount of the consideration paid or transferred by the Company and any Company Subsidiary in connection with such purchase would reasonably be expected to exceed \$500,000, except for any such action (A) pursuant to a Common Unit Award Agreement or (B) solely between or among the Company and any Company Subsidiary;

(v) sell, lease, license or otherwise dispose of any of its properties or assets (including equity interests of any Company Subsidiary) other than (A) sales or other dispositions of inventory or other assets in the ordinary course of business and in a manner substantially consistent with past practice, including transfers of material intellectual property to distributors in the ordinary course of business, (B) leases and subleases of Owned Real Property and Other Real Property Interests leased by the Company or the Company Subsidiaries in the ordinary course of business and in a manner substantially consistent with past practice, (C) sales of obsolete or written off assets in the ordinary course of business and in a manner substantially consistent with past practice or (D) sales or other dispositions of assets utilized in the operations of the Company or the Company Subsidiaries the total value of which does not exceed \$500,000 in the aggregate;

(vi) pledge, encumber or otherwise subject to an Lien (other than a Permitted Lien) any properties or assets (including equity interests of any Company Subsidiary);

(vii) make any loans or capital contributions to, or investments in, any Person, other than to or in the Company or any Company Subsidiary, except for extensions of trade credit in the ordinary course of business and in a manner substantially consistent with past practice;

(viii) (A) grant any material increase, or announce any material increase, in the wages, salaries, compensation, bonuses, or other incentives payable by the Company or any Company Subsidiary to any of its employees, including, without limitation, any such increase pursuant to any Benefit Plan or (B) establish or materially increase or promise to materially increase any benefits under any Benefit Plan, in either case (A) or (B), except (1) as required by Law or any collective bargaining agreement or (2) for annual merit increases or increases in connection with promotions in the ordinary course of business consistent with the past practices of the Company;

(ix) enter into, renew, or extend any agreement with any of its directors, officers, employees, or labor organizations (or with any relative, beneficiary, spouse or Affiliate of such Person) or take any action that has the effect of creating or triggering, any entitlement to benefits under the terms of any such agreement; *provided, however*, that CMQR US and CMQR Canada, as applicable, may continue the current negotiations, and may enter into an extended or modified collective bargaining agreement, with labor organizations representing CMQR US's United States employees and CMQR Canada's employees in Canada so long as such extensions or modifications provide no more than a 3% base salary increase per annum;

(x) enter into, renew, or extend any agreement with any holder of Units (or with any relative, beneficiary, spouse or Affiliate of such Person);

(xi) create, incur, guarantee or assume any Indebtedness in excess of \$200,000 other than under the Existing Credit Agreement or the Existing Equipment Loan Agreement;

(xii) adopt or enter into any plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any Company Subsidiary;

(xiii) change its present accounting methods or principles in any material respect, except as required by Law or GAAP;

(xiv) cancel any material insurance policy or allow any material insurance policy to lapse unless it is replaced by another insurance policy containing substantially similar terms;

(xv) lease any properties or assets of the Company or the Company Subsidiaries pursuant to a lease which provides for pre-paid rent or substantially all rent to be paid prior to the Closing in an aggregate amount in excess of \$75,000;

(xvi) except pursuant to the Pre-Closing Reorganization, make or pay any dividends or distributions (whether in cash, securities or other property) to any holder of Units or otherwise, except for redemptions, dividends or distributions (whether in cash, securities or other property) by any Company Subsidiary solely to the Company or to another Company Subsidiary;

(xvii) make any capital or other expenditure or commitment for any capital or other expenditure in excess of \$500,000, except for capital expenditures in connection with (A) work performed under the Company Subsidiaries' existing 2019 capital program for track and facilities, and (B) work planned to be performed prior to the Effective Time under the Company Subsidiaries' existing 2020 capital program for track and facilities; or

(xviii) authorize, commit or agree to take any of the actions described in this Section 6.01(b).

ARTICLE VII.

Additional Agreements

SECTION 7.01. Access to Information.

(a) Subject to applicable Law and any applicable Order, between the date of this Agreement and the earlier of the Effective Time and the termination of this Agreement pursuant to Section 9.01, upon reasonable notice, the Company shall, and shall cause each Company Subsidiary to, afford to Parent and its Representatives reasonable access during normal business hours to the officers, employees, agents, properties, books, Tax Returns, Contracts and records (other than any of the foregoing that relate to the negotiation and execution of this Agreement or any Ancillary Agreement or any proposals from other parties relating to any competing or alternative transactions) of the Company and any Company Subsidiary, and the Company shall, and shall cause each Company Subsidiary to, furnish promptly to Parent and its Representatives such information concerning its business, personnel, assets, liabilities and properties as Parent may reasonably request, *provided, however*, that Parent and its Representatives shall conduct any such activities in such a manner as not to interfere unreasonably with the business or operations of the Company or the Company Subsidiaries; *provided further* that the Company and any Company Subsidiary shall not be obligated to provide such access or information if the Company determines, in its reasonable judgment, that doing so could (a) result in the disclosure of trade secrets or competitively sensitive information, (b) violate applicable Law, an applicable Order or a Contract or obligation of confidentiality owing to a third party, (c) jeopardize the protection of an attorney-client privilege, attorney work product protection or other legal privilege, (d) be adverse to the interests of the Company or any of the Company Subsidiaries in any pending or threatened Action or (e) expose the Company or the Company Subsidiaries to risk of liability for disclosure of sensitive or personal information; *provided further* that Parent and its Representatives may only conduct a visual inspection of the properties of the

Company and the Company Subsidiaries, and Parent agrees that neither it nor its Representatives may conduct any Invasive Activities on or inspections (other than a visual inspection) of the properties of the Company and the Company Subsidiaries or operate any equipment or machinery in the course of such visual inspection. All requests for information made pursuant to this Section 7.01 shall be directed to the executive officer or other Person designated by the Company. Until the Effective Time, all information provided will be subject to the terms of the letter agreement dated as of July 24, 2019 by and between the Company and Parent (the “Confidentiality Agreement”).

(b) TO THE FULLEST EXTENT PERMITTED BY LAW, PARENT AND MERGER SUB SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE COMPANY, THE COMPANY SUBSIDIARIES, KATAHDIN, AND THEIR RESPECTIVE REPRESENTATIVES, FROM ANY AND ALL LOSSES, INCLUDING THOSE FOR (1) ANY INJURY, ILLNESS OR DEATH OF ANY PERSONS (INCLUDING THIRD PARTIES, PARENT, MERGER SUB, THE COMPANY, ANY COMPANY SUBSIDIARY, KATAHDIN OR ANY OF THEIR RESPECTIVE REPRESENTATIVES) AND (2) DAMAGE TO PROPERTY (INCLUDING DAMAGE TO PROPERTY OF THIRD PARTIES, PARENT, MERGER SUB, THE COMPANY, ANY COMPANY SUBSIDIARY, KATAHDIN OR ANY OF THEIR RESPECTIVE REPRESENTATIVES) TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM THE ACTIVITIES OF PARENT OR ANY OF ITS REPRESENTATIVES IN CONNECTION WITH THE RIGHTS OF ACCESS, EXAMINATION AND INSPECTION GRANTED UNDER THIS SECTION 7.01, EVEN IF SUCH INDEMNIFIED EVENT IS CAUSED BY, ARISES OUT OF OR RESULTS FROM THE ACTIVE OR PASSIVE, SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY, BREACH OF DUTY (STATUTORY OR OTHERWISE), VIOLATION OF LAW (EXCEPT TO THE EXTENT SUCH VIOLATION IS AN ALLEGED VIOLATION OF A CRIMINAL CODE) OR OTHER FAULT OF THE AFORESAID INDEMNIFIED PARTIES, OR ANY PRE-EXISTING DEFECT, BUT NOT TO THE EXTENT THAT SUCH INDEMNIFIED EVENT OR OCCURRENCE IS CAUSED BY OR THE RESULT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTIES. NOTWITHSTANDING THE FOREGOING, NEITHER PARENT NOR MERGER SUB SHALL HAVE ANY RESPONSIBILITY PURSUANT TO THIS SECTION 7.01(b) WITH RESPECT TO PRE-EXISTING HAZARDOUS SUBSTANCES, EXCEPT TO THE EXTENT EXACERBATED BY THE ACTIVITIES OF PARENT OR ANY OF ITS REPRESENTATIVES IN CONNECTION WITH THE RIGHTS OF ACCESS, EXAMINATION AND INSPECTION GRANTED UNDER THIS SECTION 7.01.

SECTION 7.02. Reasonable Best Efforts.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of Parent, Merger Sub and the Company shall use its respective reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with each other in doing, all things necessary, proper or advisable to cause the conditions to Closing set forth in Article VIII of this Agreement to be satisfied as promptly as practicable and to consummate and make effective, in the most expeditious manner practicable, the Transaction, including:

(i) obtaining in the most expeditious manner practicable the STB Approval, (A) by filing, no later than five (5) Business Days after the date hereof, a request pursuant to 49 C.F.R. § 1013.3(a) for authorization of a voting trust (in the form attached as Exhibit H to this Agreement) under which all of the shares of capital stock of CMQR US shall be placed into an irrevocable voting trust as of the Effective Time pending receipt of final STB approval or exemption of the Transaction pursuant to 49 U.S.C. § 11323 et seq., and (B) by filing no later than twenty (20) Business Days after the date hereof an application pursuant to 49 U.S.C. § 11323 et seq. for approval of the Transaction (including all necessary documentation), in each case at Parent's sole cost and expense, and to promptly make any subsequent record filings with or presentations to the STB in connection with such application;

(ii) obtaining in the most expeditious manner practicable the CTA Approval and the TC Approval, in each case at Parent's sole cost and expense;

(iii) obtaining in the most expeditious manner practicable all other Governmental Authorizations, Consents, Orders and approvals of the Transaction, and to make all filings with and to give all notices to all Governmental Entities and officials required to consummate the Transaction, and promptly supplying any information and documentary material that may be requested by any Governmental Entity in connection with this Agreement, the Transaction or such Governmental Authorizations, Consents, Orders and approvals;

(iv) seeking to have lifted or rescinded any Order, decree or ruling issued by any Governmental Entity of competent jurisdiction which has the effect of making the Transaction illegal or otherwise prohibiting consummation of the Transaction;

(v) vigorously defending any Actions, whether regulatory, judicial, administrative or other, to which it is a party challenging or affecting this Agreement, the Ancillary Agreements or the Transaction, or seeking to prohibit or delay the Closing, or which would prevent or make illegal the consummation of the Transaction; and

(vi) executing and delivering any additional instruments necessary to consummate the Transaction and fully carry out the purposes of this Agreement.

(b) Prior to Closing, and subject to the other provisions of this Section 7.02, Parent, Merger Sub and the Company shall coordinate the overall development of the positions to be taken and the regulatory actions to be requested in any applications and filings related to the STB Approval and in connection with any investigation or other inquiry or litigation by or before, or any negotiations with, any Governmental Entity relating to the STB Approval and of all other matters incidental thereto. Subject to obtaining the cooperation of the Company in an expeditious manner at the request of Parent (including directing CMQR Canada to submit notices drafted by Parent) for purposes of giving effect to the Transaction, Parent shall be solely responsible for (x) devising the strategy for obtaining the CTA Approval, the TC Approval and any other Governmental Authorizations, Consents, Orders and approvals from Governmental Entities in connection with the Transaction other than the STB Approval and (y) coordinating the overall development of the positions to be taken and the regulatory actions to be requested in any

applications and filings related to the CTA Approval, the TC Approval and any other Governmental Authorizations, Consents, Orders and approvals contemplated by this Agreement other than the STB Approval and in connection with any investigation or other inquiry or litigation by or before, or any negotiations with, any Governmental Entity relating to the Transaction and of all other matters incidental thereto other than the STB Approval.

(c) Parent, Merger Sub and the Company shall promptly furnish to each other all information required for any necessary application or other filing under any applicable Law, rule or regulation in connection with the Transaction.

(d) Prior to the Closing, the parties to this Agreement will provide each other with copies of all correspondence, filings or communications between them or any of their representatives, on the one hand, and any Governmental Entity or members of its staff, on the other hand, with respect to this Agreement, the Transaction, the STB Approval, the CTA Approval, the TC Approval and any other Governmental Authorizations, Consents, Orders and approvals, or any related declaration, filing, registration, notice, authorization, Consent or approval. Prior to the Closing, none of the parties to this Agreement shall agree to participate in any meeting with any Governmental Entity in respect of any filings, proceeding, investigation (including any settlement of the investigation), litigation or other inquiry made in connection with this Agreement or the Transaction unless it consults with the other parties in advance and, to the extent permitted by such Governmental Entity, gives the other parties the opportunity to attend and participate at such meeting; *provided, however*, that materials may be redacted (x) to remove references concerning the valuation of the business acquired hereunder, (y) as necessary to comply with contractual obligations, and (z) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns.

(e) Prior to the Closing, Parent and Merger Sub, on the one hand, and the Company on the other, will provide each other with reasonable advance opportunity to review and comment upon, and will consider in good faith the views of the other party in connection with, all written communications with any Governmental Entity (including without limitation, any application, petition, motion filing, analysis, appearance, presentation, memorandum, brief, argument, opinion or proposal made or submitted to a Governmental Entity in connection with the STB Approval, the CTA Approval, the TC Approval and any other Governmental Authorizations, Consents, Orders and approvals), and will promptly provide the other party with copies of all written communications to or from any Governmental Entity relating to the same in connection with obtaining Government Authorization for the Transaction.

(f) Neither Parent nor Merger Sub, on the one hand, nor the Company, on the other, shall consent to any voluntary delay of the Closing at the request of any Governmental Entity without the consent of the other.

(g) Without limiting the foregoing, Parent and Merger Sub shall use reasonable best efforts to take, or cause to be taken, any and all steps and to make, or cause to be made, any and all undertakings necessary to avoid or eliminate each and every objection, impediment or concern asserted by any Governmental Entity in connection with obtaining the STB Approval, the CTA Approval, the TC Approval and any other Governmental Authorizations, Consents, Orders and approvals, so as to enable the Closing to occur as promptly as practicable, including:

(i) entering into negotiations, providing information and making proposals;

(ii) taking any and all reasonable steps necessary to vacate, modify or suspend any injunction or Order issued in a judicial or administrative proceeding brought under any Law by any Governmental Entity or any other Person that would make consummation of the Transaction at the Closing in accordance with the terms of this Agreement unlawful or that would prevent or delay such Closing prior to the Outside Date;

(iii) taking promptly any and all other reasonable steps and other actions and doing all other things reasonably necessary and proper to avoid or eliminate each and every impediment under any Law that may be asserted by any Governmental Entity or any other party to the consummation of the Transaction in accordance with the terms of this Agreement;

(iv) agreeing to conditions imposed by any Governmental Entity in connection with its approval or authorization of the Transaction (including the STB Approval, the CTA Approval and the TC Approval), including conditions requiring the grant of operating, haulage or competitive access rights to another rail carrier over the lines currently operated by CMQR US and CMQR Canada, and/or conditions imposing interchange requirements, operational restrictions or standards of service, or otherwise limiting any of Parent's or its Affiliates' (including, after the Effective Time, the Surviving Company and the Company Subsidiaries) freedom of action with respect to, or its ability to retain or freely operate, any of the assets, properties, licenses, rights, operations or businesses of Parent, any of Parent's Affiliates, the Company or any of the Company Subsidiaries, in each case as may be required in order to obtain the STB Approval and any other Governmental Authorizations, Consents, Orders and approvals, or to avoid the entry of, or to effect the lifting or dissolution of, any Order which would otherwise have the effect of preventing or delaying the Closing; *provided, however*, that neither Parent nor Merger Sub shall be required to agree to any condition (other than standard labor protective conditions imposed pursuant to 49 U.S.C. § 11326) imposed by any Governmental Entity in connection with its approval or authorization of the Transaction if such condition will have a Company Material Adverse Effect; *provided further* that the Company shall not be required to, and Parent and Merger Sub shall not, in connection with obtaining the STB Approval, the CTA Approval, the TC Approval and any other Governmental Authorizations, Consents, Orders and approvals hereunder, or in connection with otherwise complying with any provisions of this Agreement, agree or consent to, or offer to agree or consent to, (x) the taking of any action or the imposition of any terms, conditions, limitations or standards of service the effectiveness or consummation of which is not conditional upon the occurrence of the Closing, (y) the imposition of any terms, conditions or limitations on or with respect to any holder of Units or any of their Affiliates, any of their respective businesses or any of the benefits of the Transaction to any such Person or (z) any amendments or modifications to any of the terms of the Ancillary Agreements.

(h) Parent, Merger Sub and the Company shall, to the extent permitted by applicable Law: (i) give each other prompt notice of the making or commencement of any request, inquiry or Action by or before any Governmental Entity with respect to the Transaction of which

Parent or Company (as applicable) becomes aware; (ii) keep each other informed as to the status of any such request, inquiry or Action; and (iii) promptly inform each other of any communication to or from any Governmental Entity regarding the Transaction.

(i) Nothing contained in this Agreement shall give Parent or Merger Sub, directly or indirectly, the right to control or direct the operations of the Company or any of the Company Subsidiaries prior to the Effective Time. Prior to the Effective Time, the Company and each Company Subsidiary shall exercise, consistent with the terms and conditions of this Agreement, complete unilateral control and supervision over their business operations.

(j) Prior to the earlier of (x) STB's determination with respect to Parent's request for authorization pursuant to 49 C.F.R. § 1013.3(a) for the use of a voting trust transaction under which all of the shares of capital stock of CMQR US shall be placed into an irrevocable voting trust as of the Effective Time pending receipt of final STB approval or exemption of the Transaction pursuant to 49 U.S.C. § 11323 and (y) December 30, 2019, no party to this Agreement, directly or indirectly through one or more of their respective Affiliates, shall take any action, including entering into an agreement to acquire or make any investment in any corporation, partnership, limited liability company or other business organization or any division or assets thereof, that would reasonably be expected to cause a material delay in the satisfaction of the conditions contained in Article VIII. If the STB declines to approve Parent's request for authorization for the use of a voting trust transaction, no party to this Agreement, directly or indirectly through one or more of their respective Affiliates, shall take any action, including entering into an agreement to acquire or make any investment in any rail carrier whose lines connect with, or provide rail services in competition with, the rail lines of CMQR US or CMQR Canada prior to receipt of final STB approval or exemption of the Transaction pursuant to 49 U.S.C. § 11323 et seq. Nothing in this Section 7.02 will apply to or restrict communications or other actions by the Company or the Company Subsidiaries with or with respect to Governmental Entities in connection with their business in the ordinary course of business.

SECTION 7.03. Notification. The Company shall give prompt notice to Parent, and Parent shall give prompt notice to the Company, of (a) the breach or failure to be true and correct of any representation or warranty made by it contained in this Agreement, which breach or failure to be true and correct would give rise to the failure of a condition in Section 8.02(a) or Section 8.03(a), as applicable, or (b) the failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement; *provided, however*, that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement. During the period prior to the Closing Date, the Company will notify Parent of (i) any Company Material Adverse Effect, (ii) any lawsuit, claim, proceeding or investigation that is threatened, brought, asserted or commenced against the Company or any Company Subsidiary which would have been listed in Section 4.07 of the Company Disclosure Letter if such lawsuit, claim, proceeding or investigation had arisen prior to the date hereof, (iii) any notice or other communication from any third Person alleging that the consent of such third Person is required in connection with the transactions contemplated by this Agreement, and (iv) any material default under any Material Contract or any event which, with notice or lapse of time or both, would, to Knowledge of the Company, become such a default on or prior to the Closing Date.

SECTION 7.04. Public Announcements. Prior to the Closing, the parties hereto shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the Transaction, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, Order, court process or the rules and regulations of any national securities exchange or national securities quotation system. The parties hereto agree that the initial press release to be issued with respect to the Transaction following execution of this Agreement shall be in a form agreed to by the parties hereto (the “Announcement”). Notwithstanding the forgoing, this Section 7.04 shall not apply to any press release or other public statement made by any of the parties hereto (a) which is consistent with the Announcement and the terms of this Agreement and does not contain any information relating to the Company that has not been previously announced or made public in accordance with the terms of this Agreement or (b) is made in the ordinary course of business and does not relate specifically to the signing of this Agreement or the Transaction.

SECTION 7.05. Employee and Employee Benefit Matters.

(a) For a period of one (1) year following the Effective Time (the “Continuation Period”), Parent shall provide, or cause its subsidiaries (including the Surviving Company and the Company Subsidiaries) to provide, to each Company Employee who is employed by the Company or any of the Company Subsidiaries as of the Effective Time (each, a “Continuing Employee”), (i) base salary or wages, variable pay and bonus or incentive compensation opportunities, excluding equity compensation, that are, in each case, no less favorable than and (ii) employee benefits that, in the aggregate, are substantially comparable to, in the case of each of clauses (i) and (ii), those provided to such Continuing Employees immediately prior to the Effective Time; *provided, however*, that for all purposes of this Section 7.05, Parent shall provide to any Continuing Employee who is represented for purposes of collective bargaining by any labor organization with the compensation, hours, work rules and other terms and conditions of employment as provided for in any applicable collective bargaining agreement or as required pursuant to applicable Law. With respect to such represented Continuing Employees, Parent shall, and shall cause its subsidiaries (including the Surviving Company and its subsidiaries) to, assume and honor all obligations under the applicable collective bargaining agreements in accordance with their terms as in effect immediately prior to the Effective Time, unless and until such agreements are terminated or modified in accordance with applicable Law.

(b) Parent shall provide (i) each Continuing Employee in the United States whose employment is terminated during the Continuation Period by the Company, a Company Subsidiary, or the Parent or its Affiliates with severance payments, termination of employment entitlements and benefits that are no less favorable than the most favorable of (A) the severance payments and severance benefits or entitlements to notice of termination of employment to which such Continuing Employee is entitled pursuant to 49 U.S.C. § 11326 or other applicable Laws or (B) those provided to similarly situated employees of Parent and its Affiliates (excluding, after the Effective Time, the Surviving Company and its subsidiaries) under severance or notice of termination of employment plans, agreements or arrangements in effect at the time of such termination of employment and (ii) each Continuing Employee in Canada whose employment is terminated during the Continuation Period by the Company, a Company Subsidiary, or the Parent or its Affiliates with severance payments, termination of employment entitlements and benefits

that are no less favorable than the most favorable of (A) those required by applicable Laws or (B) those provided to similarly situated employees of Parent and its Affiliates (excluding, after the Effective Time, the Surviving Company and its subsidiaries) under severance or notice of termination of employment plans, agreements or arrangements in effect at the time of such termination of employment; *provided, however*, that entitlement to such benefits or notice of termination of employment shall be subject to, as applicable, the terms and conditions of applicable Law, the terms of the applicable Benefit Plan, and the terms of the plans, arrangements, or agreements governing the provision of such benefits to similarly situated employees of Parent and its Affiliates and further provided that, except as required by applicable Laws or under an applicable collective bargaining agreement and except for any Continuing Employee who has received notice of termination of employment during the Continuation Period and had been required to work through all or part of that reasonable notice period during the Continuation Period, no Continuing Employee who, following termination of employment during the Continuation Period, continues to provide services to the Company, a Company Subsidiary, Parent, or an Affiliate, or who terminates employment with the Company, a Company Subsidiary, or the Parent or its Affiliates in connection with the termination of the Katahdin Transition Services Agreement, whether because such Continuing Employee accepts or refuses employment with Katahdin, shall be entitled to any severance benefits based on this Section 7.05(b).

(c) Parent shall, and shall cause its subsidiaries (including, after the Effective Time, the Surviving Company and its subsidiaries) to, cause any plans, programs, agreements and arrangements established or maintained by Parent or any of its Affiliates (including, after the Effective Time, the Surviving Company and its subsidiaries) (including any vacation, paid time-off and severance plans) to recognize each Continuing Employee's service with the Company or any of the Company Subsidiaries (as well as service with any predecessor of the Company or any of the Company Subsidiaries, to the extent service with such predecessor is recognized by the Company or such Company Subsidiary), for all purposes, including determining eligibility to participate, level of benefits, vesting, eligibility for a rate of benefit accrual, and eligibility for early retirement subsidies; *provided, however*, that such service need not be recognized (i) for purposes of benefit accruals, level of benefits or rate of benefit accrual under any defined benefit pension plan, or (ii) to the extent that such recognition would result in any duplication of benefits.

(d) Parent shall, and shall cause its subsidiaries (including, after the Effective Time, the Surviving Company and its subsidiaries) to use commercially reasonable efforts to (i) waive, or cause to be waived, any pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods under any Benefit Plan maintained by Parent or any of its subsidiaries in which Continuing Employees (and their eligible dependents) will be eligible to participate from and after the Effective Time, except to the extent that such pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods would not have been satisfied or waived under the comparable Benefit Plan immediately prior to the Effective Time, and (ii) provide full credit for any co-payments, deductibles and similar expenses made or incurred by each Continuing Employee (and his or her eligible dependents) during the calendar year in which the Effective Time occurs for purposes of satisfying such year's deductible and co-payment limitations under the relevant welfare benefit plans in which such Continuing Employee (and his or her eligible dependents) will be eligible to participate from and after the Effective Time.

(e) From and after the Effective Time, Parent shall, or shall cause its subsidiaries (including the Surviving Company and its subsidiaries) to, pay, no later than March 15, 2020, annual bonuses to the Continuing Employees with respect to the 2019 fiscal year of the Company and the Company Subsidiaries consistent with past practices of the Company and the Company Subsidiaries, as applicable, and the aggregate amount of such annual bonuses shall be at least equal to the aggregate amount of annual bonuses paid by the Company and the Company Subsidiaries with respect to the 2018 fiscal year.

(f) Parent and its subsidiaries (including the Surviving Company and its subsidiaries) shall be solely responsible for all Liabilities or obligations under the WARN Act or other applicable Laws regarding plant closings or layoffs (or similar triggering event) as they relate to the Transaction that result from or are triggered by the Effective Time or from Parent's or its subsidiaries' actions or omissions on or after the Effective Time, regardless of whether the employment losses (as defined in the WARN Act or other applicable Laws) aggregated to trigger such obligations occur prior to, on, or after the Effective Time.

(g) No provision of this Agreement shall create any right in any employee to continued employment by the Company, any Company Subsidiary or Parent or any of its subsidiaries, or preclude the ability of the Company, any Company Subsidiary or Parent or any of its subsidiaries to terminate the employment of any employee for any reason, except as otherwise provided by applicable Law. This Section 7.05 shall be binding upon and shall inure solely to the benefit of each of the parties to this Agreement, and nothing in this Section 7.05, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 7.05 or is intended to be, shall constitute or be construed as an amendment to or modification of any collective bargaining agreement, employee benefit plan, program, arrangement or policy of the Company, any Company Subsidiary or Parent or any of its subsidiaries. No Company Employee (including any beneficiary or dependent thereof) shall be regarded for any purpose as a third-party beneficiary of this Agreement pursuant to this Section 7.05, and this Section 7.05 shall not create such rights in any such Person.

SECTION 7.06. Indemnification and Insurance.

(a) From and after the Effective Time, the Surviving Company and each Company Subsidiary shall, to the fullest extent permissible by applicable Law, (i) indemnify and hold harmless each individual who at the Effective Time is, or at any time prior to the Effective Time was, a director or officer of the Company or any Company Subsidiary (each, an "Indemnitee" and, collectively, the "Indemnitees") against all expenses, liabilities and losses (including attorney fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by such Indemnitee (or one or more of such Indemnitee's Affiliates other than a member of the Company) by reason of the fact that such Indemnitee was a director or is or was serving as a representative, officer, principal, employee or agent of the Company or any Company Subsidiary or is or was serving at the request of the Company or any Company Subsidiary as a representative, officer, director, manager, principal, member, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise; *provided, however*, that no Indemnitee shall be indemnified for any expenses, liabilities and losses suffered that are attributable to such Indemnitees fraud, gross negligence, willful misconduct or knowing violation of Law or for any present or future breaches of any representations, warranties or covenants by such Indemnitee

contained in the Company Agreement or in any other agreement with the Company. Expenses, including reasonable attorneys' fees, incurred by any such Indemnitee in defending such a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Indemnitee to repay such amount if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified by the Company hereunder. Without limiting the foregoing, Parent, from and after the Effective Time, shall cause, unless otherwise required by Law (A) the limited liability company agreement of the Surviving Company to contain provisions no less favorable to the Indemnitees with respect to limitation of liabilities of directors and officers and indemnification than are set forth as of the date of this Agreement in the Company Charter and the Company Agreement and (B) shall preserve similar exculpation and indemnification obligations currently existing in the Organizational Documents of the Company Subsidiaries, which provisions shall not be amended, repealed or otherwise modified in a manner that would adversely affect the rights thereunder of the Indemnitees.

(b) For the six-year period commencing immediately after the Effective Time, the Surviving Company shall maintain in effect the Company's and the Company Subsidiaries' current directors' and officers' liability insurance covering acts or omissions occurring at or prior to the Effective Time with respect to those individuals who are currently (and any additional individuals who prior to the Effective Time become) covered by the Company's and the Company Subsidiaries' directors' and officers' liability insurance policies on terms and scope with respect to such coverage, and in amount, no less favorable to such individuals than those of such policy in effect on the date of this Agreement (or the Surviving Company may substitute therefor policies, issued by reputable insurers, of at least the same coverage with respect to matters existing or occurring prior to the Effective Time, including a "tail" policy), *provided, however*, that in no event will the Surviving Company be required to expend for such policies pursuant to this sentence an annual premium amount in excess of 250% of the annual premiums currently paid by the Company and the Company Subsidiaries for such insurance. The Company and the Company Subsidiaries shall have the right (subject to the consent of Parent, not to be unreasonably withheld) prior to the Effective Time to purchase a six-year prepaid "tail policy" on terms and conditions providing at least substantially equivalent benefits as the current policies of directors' and officers' liability insurance maintained by the Company and any Company Subsidiary with respect to matters existing or occurring prior to the Effective Time, covering without limitation the Transaction. If such prepaid "tail policy" has been obtained by the Company or any Company Subsidiary, it shall be deemed to satisfy all obligations to obtain insurance pursuant to this Section 7.06(b) and the Surviving Company shall use its reasonable best efforts to cause such policy to be maintained in full force and effect, for its full term, and to honor all of its obligations thereunder.

(c) The provisions of this Section 7.06 are (i) intended to be for the benefit of, and shall be enforceable by, each Indemnitee and his or her heirs and (ii) in addition to, and not in substitution for, any other rights to indemnification or contribution that any such individual may have under the Company Charter, the Company Agreement, or any Organizational Document of any Company Subsidiary, by contract or otherwise. The obligations of Parent and the Surviving Company under this Section 7.06 shall not be terminated or modified in such a manner as to adversely affect the rights of any Indemnitee to whom this Section 7.06 applies unless (x) such termination or modification is required by applicable Law or (y) the affected Indemnitee shall have consented in writing to such termination or modification (it being expressly agreed that the

Indemnitees to whom this Section 7.06 applies shall be third party beneficiaries of this Section 7.06).

(d) In the event that (i) Parent, the Surviving Company or any of their respective successors or assigns (A) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (B) transfers or conveys all or substantially all of its properties and assets to any Person, or (ii) Parent or any of its successors or assigns dissolves the Surviving Company, then, and in each such case, proper provision shall be made so that the successors and assigns of Parent or the Surviving Company, as the case may be, shall assume all of the obligations thereof set forth in this Section 7.06.

(e) Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or any of the Company Subsidiaries for any of their respective directors, officers or other employees, it being understood and agreed that the indemnification provided for in this Section 7.06 is not prior to or in substitution for any such claims under such policies.

(f) Parent and the Surviving Company's obligations under this Section 7.06 shall continue in full force and effect for a period of six years from the Effective Time; *provided, however*, that if any Claim (whether arising before, at or after the Effective Time) is brought against an Indemnitee on or prior to the sixth anniversary of the Effective Time, the provisions of this Section 7.06 shall continue in effect until the full and final resolution of such Claim.

SECTION 7.07. Repayment of Indebtedness. The Company shall, prior to the Closing Date, deliver to Parent (a) a copy of a customary payoff letter (the "Existing Credit Agreement Payoff Letter"), specifying the aggregate amount required to be paid with respect to the Existing Credit Agreement (together with such other Lien release documentation that may be reasonably required in connection therewith) and (b) a copy of a customary payoff letter (the "Existing Equipment Loan Payoff Letter"), specifying the aggregate amount required to be paid with respect to the Existing Equipment Loan Agreement (together with such other Lien release documentation that may be reasonably required in connection therewith).

SECTION 7.08. Fees and Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred by the parties hereto in connection with the Transaction shall be borne solely and entirely by the party that has incurred such expenses.

SECTION 7.09. Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, all stock transfer, real estate transfer, sales, use, documentary, stamp, recording and other similar Taxes incurred in connection with the Transaction ("Transfer Taxes") shall be borne by Parent. Parent and the Company shall reasonably cooperate to prepare and timely file any Tax Returns relating to Transfer Taxes, and Parent shall timely pay all Transfer Taxes.

SECTION 7.10. Tax Certificates and Member Releases. The Company will use its commercially reasonable efforts to deliver, or cause to be delivered, to Parent at the Closing (a) the applicable certificates of non-foreign status pursuant to Treasury Regulation Section 1.1445-2(b)(2) and Section 1446(f) of the Code ("Tax Certificates"), duly completed and executed and

dated as of the Closing Date with respect to each holder of Units (other than FTAI) as of immediately prior to the Effective Time and (b) a Member Release Agreement duly executed and dated as of the Closing Date with respect to each holder of Units (other than FTAI) as of immediately prior to the Effective Time. From and after Closing until the third anniversary of the Closing Date, with respect to each holder of Units (other than FTAI) that does not execute and delivery a Tax Certificate or a Member Release Agreement, the Seller Representative shall indemnify and hold harmless Parent and the Surviving Company from and against any Losses arising out of, or in connection with, the failure of such holder of Units to execute and deliver a Tax Certificate or a Member Release Agreement. The maximum amount of indemnification provided by the Seller Representative with respect to each holder of Units pursuant to this Section 7.10 shall be an amount equal to 50% of the aggregate consideration received by such holder of Units pursuant to Section 3.04.

SECTION 7.11. Tax Returns.

(a) Seller Representative shall prepare or cause to be prepared all Tax Returns for the Company or any Company Subsidiary (including partnership or other information Tax Return that reports income or other information to the beneficial owners of the Company) for any taxable year or period that ends on or before the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice unless, and to the extent, otherwise required by applicable Law. The Company and the Company Subsidiaries shall provide reasonable access and assistance to Seller Representative for the purpose of preparing such Tax Returns. Subject to Section 7.14, Parent shall pay any Tax due as a result of such Tax Returns (other than Taxes of the equity owners of the Company attributable to the reporting of income attributable to the Company's status as a partnership for income tax purposes). To the extent permitted by Law, Seller Representative shall submit each such Tax Return to Parent (together with schedules, statements and, to the extent requested by the Seller Representative, supporting documentation) at least thirty (30) days prior to the due date (including extensions) of such Tax Return. If so submitted Seller Representative shall consider such comments in good faith.

(b) Parent shall prepare or cause to be prepared all income Tax Returns for the Company or any Company Subsidiary for any taxable year or period that includes but does not end on the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practice unless, and to the extent, otherwise required by applicable Law. The Company and the Company Subsidiaries shall provide reasonable access and assistance to Parent for the purpose of preparing such Tax Returns. To the extent the Seller Representative would have liability under Section 7.14 with respect to such Tax Return, Parent shall submit each such Tax Return to the Seller Representative (together with schedules, statements and, to the extent requested by the Seller Representative, supporting documentation) at least thirty (30) days prior to the due date (including extensions) of such Tax Return. Parent shall reflect any comments by the Seller Representative on such Tax Returns unless such comment would have a material adverse impact on Parent or if such comment were objectively unreasonable.

(c) If the Seller Representative objects in good faith to the inclusion of any of Parent's comments to a Tax Return prepared by the Seller Representative in accordance with Section 7.11(a) or Parent objects in good faith to the inclusion of any of the Seller Representative's comments to a Tax Return prepared by Parent in accordance with Section 7.11(b), Parent and the

Seller Representative shall negotiate in good faith and use their reasonable best efforts to resolve such items. In the event of any disagreement that cannot be resolved between Parent and the Seller Representative, such disagreement shall be resolved by the Arbiter in accordance with the principles of Section 3.06(b).

SECTION 7.12. Acquisition Proposals. Neither the Company nor any Company Subsidiary will, and neither the Company nor any Company Subsidiary will authorize or permit any officer, director or employee of the Company or any Company Subsidiary or any Affiliate of the Company or any Company Subsidiary or authorize any investment banker, attorney, accountant or other representative retained by the Company or any Company Subsidiary or any Affiliate of the Company or any Company Subsidiary to, directly or indirectly, solicit or encourage, or furnish information with respect to the Company or any Company Subsidiary, or engage in any discussions with any Person in connection with, any proposal for the acquisition of any portion of the capital stock or assets or properties of the Company or any Company Subsidiary, other than as contemplated by this Agreement or permitted pursuant to Section 6.01. The Company and each Company Subsidiary will promptly cease or cause to be terminated any existing activities or discussions with any Person (other than Parent, Merger Sub or their Affiliates) with respect to any of the foregoing and will promptly request the return of any confidential information provided to any Person in connection with a prospective acquisition of the capital stock, assets or properties of the Company or any Company Subsidiary, other than as contemplated by this Agreement or permitted pursuant to Section 6.01.

SECTION 7.13. R&W Insurance Policy. Prior to Closing, Parent shall obtain and bind the R&W Insurance Policy in the form attached as Exhibit G hereto. Parent shall be responsible for any retention amount in the R&W Insurance Policy and shall also be responsible for the costs and expenses associated with the R&W Insurance Policy, including any premiums, underwriting fees and issuer due diligence expenses. Parent shall not agree to any amendment, modification or waiver to or of the R&W Insurance Policy after the date hereof that would adversely affect the Company's or its related parties' exposure to any subrogation claims with respect to the R&W Insurance Policy.

SECTION 7.14. Pre-Closing Taxes. The Seller Representative shall promptly reimburse the Surviving Company for all actual out-of-pocket federal, state and local income Taxes of CMQR US or CMQR Canada but only to the extent such income Taxes are (a) properly allocable to any taxable year that ends on or before the Closing Date or, in the case of any taxable year that includes but does not end on the Closing Date, the portion of such taxable year that ends on the Closing Date (including any out-of-pocket federal, state and local income Taxes incurred in connection with the Pre-Closing Reorganization), (b) shown as due on the initial Tax Returns agreed to by the parties and otherwise filed in the manner consistent with Section 7.11, (c) not otherwise included in Final Working Capital, and (d) are not reimbursed under the R&W Insurance Policy. The Seller Representative shall not be responsible for any Taxes attributable to the filing of an amended Tax Return or resulting from an audit. Any such reimbursements shall constitute an adjustment to the Purchase Price. In calculating actual out-of-pocket Taxes, the parties shall assume that (x) all tax elections, tax accounting policies and methods of tax accounting remain consistent with prior years, (y) any net operating losses shall be first used to reduce Taxes payable on account of the Pre-Closing Reorganization before being applied against other income or gain of the Surviving Company, and (z) in the case of any taxable year that includes but does not end

on the Closing Date, the determination of the income Taxes attributable to the portion of the taxable year ending on and including the Closing Date shall be determined by assuming that the taxable year consisted of two taxable years or periods, one which ended at the close of the Closing Date and the other which began at the beginning of the day following the Closing Date and items of income, gain, deduction, loss or credit shall be allocated between such two taxable years or periods on a “closing of the books basis”, *provided, however*, that exemptions, allowances or deductions that are calculated on an annual basis, such as depreciation deductions, shall be apportioned between such two taxable years or periods on a daily basis. The Surviving Company shall provide the Seller Representative written notice of a request for reimbursement under this Section 7.14 within 10 days of filing a Tax Return for which reimbursement is requested and otherwise provide the Seller Representative with information.

SECTION 7.15. Certain Events. In the event of a Casualty Loss with reasonably anticipated Costs of Repair (net of any insurance proceeds that the Company may be entitled to receive) in excess of Ten Million Dollars (US \$10,000,000) that is not otherwise a Company Material Adverse Effect (a “Material Casualty Loss”), the Seller Representative may elect, by delivering written notice to Parent on or prior to Closing, to either (a) agree to indemnify the Company in an amount equal to the Costs of Repair incurred by the Company with respect to such Material Casualty Loss (net of any insurance proceeds actually received by the Company) that exceed Ten Million Dollars (US \$10,000,000), in which event Parent and Merger Sub shall be required to proceed to Closing or (b) terminate this Agreement by delivering written notice to Parent. If following the occurrence of a Material Casualty Loss the Company fails to make an election pursuant to this Section 7.15 on or prior to Closing, the Seller Representative shall be deemed to have made an election described in clause (a) immediately above. If the Seller Representative makes (or is deemed to have made) an election described in clause (a) immediately above, from and after Closing, the Parent shall, and shall cause its subsidiaries (including the Surviving Company) to, use their respective reasonable best efforts to collect any and all amounts recoverable under any insurance policy of the Surviving Company or any of its subsidiaries with respect to such Casualty Loss.

SECTION 7.16. Section 280G Approval. Prior to the Closing Date, the Company shall use reasonable best efforts to obtain valid waivers (collectively, the “Parachute Payment Waivers”) from each holder of Units who is a “disqualified individual” (within the meaning of Section 280G of the Code) and who is entitled to any payments and/or benefits that, separately or in the aggregate, would constitute “parachute payments,” within the meaning of Section 280G(b)(2) of the Code (“Waived 280G Benefits”), and shall submit to its shareholders for approval to the extent and in a manner intended to be consistent with Section 280G(b)(5)(B) of the Code all or a portion of such payments and/or benefits. The form of the disqualified individuals waivers shall be subject to reasonable review and approval (which will not be unreasonably delayed, conditioned or withheld) by Parent. Not less than three (3) days prior to distribution of any materials to shareholders or “disqualified individuals” (within the meaning of Code Section 280G) in connection with the Parachute Payment Waivers and vote described in this Section 7.16, the Company shall provide Parent for its reasonable review and approval (which will not be unreasonably delayed, conditioned or withheld) a copy of all such materials and a copy of its Code Section 280G calculations. Any of the Waived 280G Benefits which fail to be approved by the shareholders of the Company as contemplated above shall not be made or provided. Prior to the Closing Date, the Company shall deliver to the Parent evidence that a vote of the Company’s

shareholders was solicited in accordance with the foregoing provisions of this Section 7.16 and that either (a) the requisite number of shareholder votes was obtained with respect to the Waived 280G Benefits (the “280G Approval”) or (b) that the 280G Approval was not obtained, and, as a consequence, the Waived 280G Benefits have not been and shall not be made or provided.

SECTION 7.17. Derby Facility License and Katahdin Transition Services Agreement.

(a) From and after the date hereof, Parent and the Company shall negotiate in good faith to finalize the terms and conditions of the Derby Facility License and the Katahdin Transition Services Agreement on or before December 20, 2019. In the event Parent and the Company are unable to come to agreement on the final terms and conditions of the Derby Facility License and the Katahdin Transition Services Agreement on or before December 20, 2019, either Parent or the Company may, by delivering written notice to the other prior to the Closing, cease negotiation of the Derby Facility License and the Katahdin Transition Services Agreement and, as a result thereof, clause (b) of the definition of Pre-Closing Reorganization shall no longer apply and Katahdin shall remain a subsidiary of CMQR US at and after the Closing and the Purchase Price shall be increased by \$4,500,000 as described in the definition of Purchase Price.

(b) If either Parent or the Company delivers a written notice to the other pursuant to Section 7.17, the Company shall have the unilateral right to supplement or otherwise amend or modify the Company Disclosure Letter to take into account that Katahdin shall be deemed to be a Company Subsidiary for purposes of this Agreement in accordance with the definition of Company Subsidiary by delivering such supplement or other amendment or modification to Parent on or before December 23, 2019. For all purposes of this Agreement, including for purposes of determining whether the condition in Section 8.02(a) has been satisfied, the Company Disclosure Letter shall be deemed to include, as of the date hereof, any matter disclosed in any such supplement or other amendment or modification to the Company Disclosure Letter except for any fact, change, event, circumstance, occurrence, effect or development disclosed in any such supplement or other amendment or modification to the Company Disclosure Letter that has or is reasonably likely to have a Company Material Adverse Effect.

ARTICLE VIII.

Conditions to Closing

SECTION 8.01. Conditions to Each Party’s Obligations to Effect the Closing. The respective obligations of each party to consummate the Transaction and effect the Merger are subject to the satisfaction (or, to the extent permitted by applicable Law, waiver) on or prior to the Closing Date of the following conditions:

(a) No Injunctions or Restraints. No Order, decree or ruling issued by any Governmental Entity of competent jurisdiction or other Law is in effect and has the effect of making the Transaction illegal or otherwise prohibiting consummation the Transaction. No Action instituted prior to the Closing by any Governmental Entity attempting to prevent or make illegal the consummation of the Transactions shall be pending.

(b) STB. The STB Approval shall have been obtained.

SECTION 8.02. Conditions to Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to consummate the Transaction and effect the Merger are further subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by Parent) on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of the Company. The representations and warranties of the Company set forth in Sections 4.01(a), 4.02, and 4.09 shall be true and correct in all respects as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date). Except for the representations and warranties of the Company set forth in Sections 4.01(a), 4.02, and 4.09, the representations and warranties of the Company contained Article IV shall be true and correct in all respects (without giving effect to any limitation indicated by the words “Company Material Adverse Effect,” “in all material respects,” “in any material respect,” “material,” or “materially”) as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Ancillary Agreements. The Company and the Seller Representative shall have delivered or shall deliver concurrently with the Closing to Parent copies of each of the Ancillary Agreements to which the Company or the Seller Representative is a party, as applicable, duly executed by an authorized officer of the Company or the Seller Representative, as applicable.

SECTION 8.03. Conditions to Obligations of the Company. The obligations of the Company to consummate the Transaction and effect the Merger are further subject to the satisfaction (or, to the extent permitted by applicable Law, waiver by the Company) on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties of Parent and Merger Sub. The representations and warranties of Parent and the Merger Sub contained Article V shall be true and correct in all respects (without giving effect to any limitation indicated by the words “Parent Material Adverse Effect,” “in all material respects,” “in any material respect,” “material,” or “materially”) as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect

(b) Performance of Obligations of Parent and Merger Sub. Parent and Merger Sub shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Ancillary Agreements. Parent and Merger Sub shall have delivered or shall deliver concurrently with the Closing to the Seller Representative copies of each of the Ancillary Agreements to which Parent or Merger Sub is a party, as applicable, duly executed by an authorized officer of Parent or Merger Sub, as applicable.

ARTICLE IX.

Termination, Amendment and Waiver

SECTION 9.01. Termination. This Agreement may be terminated at any time prior to the Effective Time:

- (a) by mutual written consent of the Company, Parent and Merger Sub;
- (b) by either the Company or Parent, by written notice to the other:
 - (i) if the Merger shall not have been consummated by December 31, 2019 (the “Outside Date”) so long as, on the Outside Date and the date of such notice, the terminating party has not failed to fulfill any obligation under this Agreement which failure has been the cause of, or resulted in, the failure of the Merger to be consummated; *provided, however,* that if the condition to the Closing set forth in Section 8.01(b) has not been fulfilled but all other conditions to the Closing have been fulfilled or are capable of being fulfilled, the Company or Parent may extend the Outside Date until July 15, 2020 by delivering written notice to the other Person prior to December 30, 2019; or
 - (ii) if any Governmental Entity of competent jurisdiction has issued an Order or takes any other Action permanently enjoining, restraining or otherwise prohibiting the Transaction and such Order or other Action shall have become final and nonappealable;
- (c) by Parent, if the Company shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition contained in Section 8.02(a) or Section 8.02(b) and (ii) is incapable of being cured or is not cured prior to the Outside Date, or if capable of being cured by the Outside Date, the Company shall not have commenced good faith efforts to cure the breach or failure to perform within ten (10) business days following receipt by the Company of written notice of such breach or failure to perform from Parent stating Parent’s intention to terminate this Agreement pursuant to this Section 9.01(c) and the basis for such termination and thereafter be continuing such good faith efforts; *provided however,* that Parent shall not have the right to terminate this Agreement pursuant to this Section 9.01(c) if Parent is then in material breach of any of its representations, warranties, covenants or agreements hereunder;
- (d) by the Company, if Parent or Merger Sub shall have breached any of their respective representations or warranties or failed to perform any of their respective covenants or

agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition contained in Section 8.03(a) or Section 8.03(b) and (ii) is incapable of being cured or is not cured prior to the Outside Date, or if capable of being cured by the Outside Date, Parent or Merger Sub, as applicable, shall not have commenced good faith efforts to cure the breach or failure to perform within ten (10) Business Days following receipt by Parent or Merger Sub, as applicable, of written notice of such breach or failure to perform from the Company stating the Company's intention to terminate this Agreement pursuant to this Section 9.01(d) and the basis for such termination and thereafter be continuing such good faith efforts; *provided however*, that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.01(d) if the Company is then in material breach of any of its representations, warranties, covenants or agreements hereunder; or

(e) by the Seller Representative pursuant to Section 7.15(b).

SECTION 9.02. Effect of Termination. In the event of termination of this Agreement by either the Company or Parent as provided in Section 9.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of any party, other than (i) the last sentence of Section 7.01(a), Section 7.01(b), Section 7.08, this Section 9.02 and Article X and the Confidentiality Agreement, all of which shall survive such termination, and (ii) to the extent that such termination results from a knowing and intentional breach by a party of any representation, warranty, covenant or agreement set forth in this Agreement. Nothing in this Section 9.02 shall be deemed to release any party from any liability for any knowing or intentional breach by such party of the terms and provisions of this Agreement or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement.

SECTION 9.03. Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of the all parties hereto; *provided however*, that, following the receipt of the Company Member Approval, there shall be no amendment that by Law requires further approval by the members of the Company without the further approval of such members.

SECTION 9.04. Extension; Waiver. At any time prior to the Effective Time, the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance with any of the agreements or conditions contained in this Agreement; *provided, however*, that, following the receipt of the Company Member Approval, there shall be no extension or waiver that by Law requires further approval by the members of the Company without the further approval of such members. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 9.05. Survival. None of (a) the representations and warranties contained in this Agreement or any Ancillary Agreement and (b) the covenants and agreements contained in this Agreement or any Ancillary Agreement that only require performance prior to the Effective Time shall survive the Effective Time, at which time such representations, warranties, covenants and agreements shall terminate and thereafter be of no force and effect, and, except as a result of

Acquired Company Fraud, Parent's and the Surviving Company's sole recourse with respect to any breach of such representations, warranties, covenants and agreements shall be under the R&W Insurance Policy (with respect to which, for the avoidance of doubt, the survival periods and all other terms contained therein shall control). This Section 9.05 shall not limit any covenant or agreement contained in this Agreement or any Ancillary Agreement that contemplates performance in whole after the Effective Time or to the extent in part after the Effective Time.

ARTICLE X.

General Provisions

SECTION 10.01. Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be delivered by hand, sent by email or sent, postage prepaid, by registered, certified or express mail or overnight courier service and shall be deemed given when so delivered by hand or email, or if mailed, three (3) calendar days after mailing (or one Business Day in the case of express mail or overnight courier service), as follows (or at such other address for a party as shall be specified by like notice):

- (a) if to Parent or Merger Sub, to:

Soo Line Corporation
c/o Canadian Pacific Railway Company
Building 1
7550 Ogden Dale Road SE
Calgary, Alberta T2C 4X9
Attention: James Clements
Email: James_Clements@cpr.ca

with a copy to:

Stinson LLP
50 South Sixth Street, Suite 2600
Minneapolis, MN 55402
Attention: Stephen M. Quinlivan
Email: stephen.quinlivan@stinson.com

- (b) if to the Company, to:

Railroad Acquisition Holdings LLC
c/o Fortress Investment Group LLC
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Kenneth J. Nicholson
Henry Blackford
Email: knicholson@fortress.com
hblackford@fortress.com

with a copy to:

Sidley Austin LLP
1501 K Street, N.W.
Washington, D.C. 20005
Attention: Terence M. Hynes
Email: thynes@sidley.com

SECTION 10.02. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transaction is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the Transaction is fulfilled to the extent possible.

SECTION 10.03. Counterparts. This Agreement may be executed in two or more counterparts (any of which may be delivered by facsimile or electronic transmission), all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 10.04. Entire Agreement; No Third-Party Beneficiaries. This Agreement, together with the Confidentiality Agreement and the Ancillary Agreements, (a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the Transaction and (b) except for Section 7.06 and Section 10.10, is not intended to confer any rights or remedies upon any Person other than the parties.

SECTION 10.05. Governing Law. This Agreement, and all matters, claims or causes of action (whether in contract or tort) based upon, arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of the laws that might otherwise govern this Agreement under applicable principles of conflicts of laws thereof.

SECTION 10.06. Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by any of the parties without the prior written consent of the other parties. Any purported assignment without such consent shall be null and void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

SECTION 10.07. Enforcement; Jurisdiction; Consent to Service of Process.

(a) The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Chancery Court of

the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), without proof of damages or otherwise, this being in addition to any other remedy to which such parties are entitled at law or in equity. The right of specific enforcement is an integral part of the Transaction contemplated by this Agreement and without that right, none of the Company, Parent or Merger Sub would have entered into this Agreement. Each of the parties hereto agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other parties hereto have an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or in equity. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 10.07 shall not be required to provide any bond or other security in connection with any such order or injunction, and the party opposing such injunction or injunctions hereby agrees that it shall not contest the amount or absence of any such bond or other security requested or offered by the party seeking such injunction or injunctions.

(b) Each of the parties hereto (i) consents to submit itself to the personal jurisdiction of the Chancery Court of the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) in the event any dispute arises out of this Agreement or the Transaction, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (iii) agrees that it will not bring any Action relating to this Agreement or the Transaction in any court other than the Chancery Court of the State of Delaware (or, if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), (iv) waives any right to trial by jury with respect to any Action related to or arising out of this Agreement or the Transaction, (v) waives the defense of an inconvenient forum to the maintenance of any Action related to or arising out of this Agreement or the Transaction and (vi) consents to service of process being made through the notice procedures set forth in Section 10.01. The parties hereto agree that a final judgment in any such Action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

SECTION 10.08. Affiliate Liability. Except in the case of Acquired Company Fraud, no Company Affiliate shall have any personal liability or personal obligation to Parent, Merger Sub, the Surviving Company or any Company Subsidiary of any nature whatsoever in connection with or under this Agreement, and each of Parent and Merger Sub hereby waives and releases all claims of any such liability and obligation; *provided, however*, that the foregoing waiver and release shall not apply to claims and obligations for liability arising under the reimbursement obligations under Section 7.06.

SECTION 10.09. Seller Representative.

(a) As of the date hereof, the Seller Representative is hereby constituted, appointed and empowered to act, with full power of substitution, as a representative by and for the benefit of holders of Units, as the exclusive agent and attorney-in-fact to act on behalf of each holder of Units in connection with, and to facilitate the consummation of, the Transaction. The power and authority of the Seller Representative shall include the power and authority: (i) to

consummate the Transaction on behalf of the holders of Units, (ii) to receive, give receipt of and disburse any funds received hereunder on behalf of or to each holder of Units, (iii) to hold back from disbursement to all of the holders of Units collectively any such funds to the extent it reasonably determines may be necessary or required under the terms and conditions of this Agreement or applicable Law or may be required for future expenses or obligations, (iv) to execute and deliver on behalf of each holder of Units all documents contemplated herein, any amendment or waiver hereto, and any consents, in each case, with such modifications or changes as to which the Seller Representative, in its sole discretion, determines is desirable, (v) to make, execute, acknowledge and deliver all such other agreements, guarantees, orders, receipts, endorsements, notices, requests, instructions, certificates, powers, letters and other writings, and, in general, to do any and all things and to take any and all action that the Seller Representative, in its sole and absolute discretion, may consider necessary or proper or convenient in connection with or to consummate the Transaction, (vi) to enforce and protect the rights and interests of the holders of Units and to enforce and protect the rights and interest of the Seller Representative arising out of or under or in any manner relating to this Agreement and the Ancillary Agreements, (vii) to refrain from enforcing any right of the holders of Units or any of them or the Seller Representative arising out of or under or in any manner relating to this Agreement and the Ancillary Agreements; *provided, however*, that no such failure to act on the part of the Seller Representative, except as otherwise provided in this Agreement or in the Ancillary Agreements, shall be deemed a waiver of any such right or interest by the Seller Representative or by such holders of Units unless such waiver is in writing signed by the waiving party or by the Seller Representative, (viii) to negotiate, settle, compromise and otherwise handle all disputes with Parent, Merger Sub, or any of their respective Representatives under this Agreement, including disputes regarding any adjustment pursuant to Section 3.06, (ix) to give and receive notices on behalf of the holders of Units and to provide notice and instructions to the Escrow Agent and to authorize disbursement of funds from the Escrow Account in accordance with this Agreement and the Escrow Agreement, and (x) to do each and every act and exercise any and all rights which the holders of Units are permitted or required to do or exercise under this Agreement; *provided, however*, that the Seller Representative shall have no obligation to act on behalf of the holders of Units. The holders of Units, by accepting the consideration payable to them hereunder, irrevocably grant unto the Seller Representative as said attorney-in-fact and agent full power and authority to do and perform each and every act and thing necessary or required to be done in connection with the Transaction as fully to all intents and purposes as the holders of Units might or could do in person and acknowledge and agree to the terms and provisions of this Section 10.09. Such agency and proxy are coupled with an interest, and are therefore irrevocable without the consent of the Seller Representative, and survive the death, incompetency, bankruptcy or liquidation of any holder of Units and the consummation of the Transaction. All actions, decisions and instructions of the Seller Representative taken, made or given pursuant to the authority granted to the Seller Representative pursuant to this Section 10.09 shall be conclusive and binding upon each holder of Units, and no such holder shall have the right to object to, dissent from, protest or otherwise contest the same. The terms and conditions of this Agreement are hereby made, and are hereby acknowledged to be, dependent on the determinations and actions that are contemplated or permitted to be made by the Seller Representative pursuant to this Section 10.09, and the rights of all holders of Units shall be qualified by and dependent upon such determinations and actions, irrespective of whether the Seller Representative is acting as an agent or power of attorney of such holder of Units.

(b) All decisions, actions, consents and instructions of the Seller Representative authorized to be made, taken or given pursuant to Section 10.09(a) shall be final and binding upon all the holders of Units, and no such Person shall have any right to object, dissent, protest or otherwise contest the same. Neither the Seller Representative nor any agent employed by the Seller Representative shall incur any liability to any holder of Units relating to the performance of its duties as authorized hereunder except for actions or omissions constituting willful misconduct or gross negligence of the Seller Representative in connection therewith. The Seller Representative shall not have by reason of this Agreement a fiduciary relationship or other special relationship with any holder of Units, except in respect of amounts actually received on behalf of such Person. The relationship created between the Seller Representative and any holder of Units shall not be construed as a joint venture or any form of partnership for purposes of U.S. federal or state law, including federal or state Tax purposes. The Seller Representative shall not be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement.

(c) The holders of Units agree, severally (and not jointly and severally) based on their pro rata share of the consideration received hereunder, to indemnify the Seller Representative for, and to hold the Seller Representative harmless against, any Loss incurred on the part of the Seller Representative, arising out of or in connection with the Seller Representative's carrying out its duties under this Agreement, including (x) amounts paid by the Seller Representative pursuant to Section 3.06(d)(ii)(B)(2), Section 7.11 or Section 7.14 and (y) costs and expenses of successfully defending the Seller Representative against any claim of liability with respect thereto, other than Losses resulting from the Seller Representative's willful misconduct or gross negligence. The Seller Representative may consult with counsel of its own choice and will have full and complete authorization and protection for any action taken and suffered by it in good faith and in accordance with the opinion of such counsel.

(d) Each of Parent, Merger Sub and the Company acknowledges that the Seller Representative is a party to this Agreement solely for purposes of serving as the "Seller Representative" hereunder and no claim shall be brought by or on behalf of Parent, Merger Sub the Company, any Company Subsidiary or, after the Effective Time, the Surviving Company, against the Seller Representative with respect to this Agreement or the Transaction or any certificate, opinion, instrument or other document delivered hereunder except with respect to matters where performance by the Seller Representative is expressly provided for herein (with it being understood that any covenant or agreement of or by the "parties" or "each of the parties" shall not be deemed to require performance by, or be an agreement of, the Seller Representative unless performance by the Seller Representative is expressly provided for in such covenant or the Seller Representative expressly so agrees in writing).

(e) The Seller Representative shall be entitled to be reimbursed by the holders of Units proportionately in accordance with each such Person's pro rata share of the consideration received hereunder for any fees and expenses incurred by the Seller Representative carrying out its duties under this Agreement, and the Seller Representative shall be entitled to deduct such amounts from the consideration payable to the holders of Units hereunder.

SECTION 10.10. Legal Representation. Parent, Merger Sub and the Company acknowledge and agree that each Law Firm has represented the Company and the Company

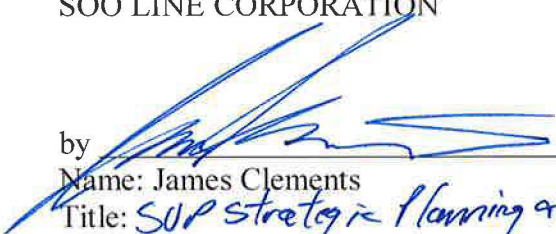
Subsidiaries in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Ancillary Agreements and the consummation of the Transaction, and that the holders of Units, their Affiliates and their respective Representatives, including the Seller Representative (the “Seller Group Members”), have a reasonable expectation that each Law Firm will represent them in connection with any claim involving any Seller Group Member, on the one hand, and Parent, Merger Sub, the Company, any Company Subsidiary or any of their respective Affiliates and Representatives (the “Parent Group Members”), on the other hand, arising under this Agreement, any Ancillary Agreement or the Transaction after the Effective Time. Each of the Company, Parent, and Merger Sub hereby, on behalf of themselves and the Company Subsidiaries and the other Parent Group Members, irrevocably: (a) acknowledge and agree that any attorney-client privilege arising from communications prior to the Effective Time between the Company or any Company Subsidiary (including any one or more officers, directors, employees or shareholders of the Company or any Company Subsidiary), on the one hand, and any Law Firm, on the other hand, related to the negotiation, preparation, execution, delivery and performance of this Agreement shall be excluded from the property, rights, privileges, powers, franchises and other interests that are possessed by or vested in the Company or any Company Subsidiary after the Effective Time, that such attorney-client privilege shall be deemed property of, and controlled solely by, the Seller Representative for the benefit and on behalf of the Seller Group Members, and that no Parent Group Member shall have any right to waive any such attorney-client privilege at any time after the Effective Time; (b) acknowledge and agree that the Seller Group Members shall have the right to retain, or cause each Law Firm to retain, any such documentation or information in the possession of such Law Firm or such Seller Group Members at the Effective Time; (c) agree not to access or retain any documentation or information subject to such attorney-client privilege or work product of any Law Firm; (d) disclaim the right to assert a waiver by any Seller Group Member with regard to the attorney-client privilege or work product solely due to the fact that such documentation or information is physically in the possession of the Surviving Company or the Company Subsidiaries after the Effective Time; (e) consent to each Law Firm’s representation after the Effective Time of any Seller Group Member in any claim that may relate to a Parent Group Member or the Transactions and consent to and waive any conflict of interest arising therefrom without the need for any future waiver or consent; (f) consent to the disclosure by each Law Firm to any Seller Group Member of any documentation or information obtained by such Law Firm during the course of its representation of the Company or any Company Subsidiary or any of their respective Affiliates prior to the Effective Time, whether related to this Agreement, any Ancillary Agreement, the Transaction or otherwise, whether or not such disclosure is made prior to or after the Effective Time and whether or not the documentation or information disclosed is subject to any attorney-client privilege or confidentiality obligation to the Company, any Affiliate of the Company or any other Person; and (g) covenant that it shall not assert any claim against any Law Firm in respect of legal services provided to the Company or any Company Subsidiary related to this Agreement, the Ancillary Agreements or the Transactions. To the extent that files of any Law Firm related to the negotiation, preparation, execution, delivery and performance of this Agreement in respect of its engagement by the Seller Group Members constitute property of the Surviving Company or its Subsidiaries, only the Seller Group Members shall hold such property rights. In the event that any claim arises after the Effective Time between any Parent Group Member and a Person other than a Seller Group Member, such Parent Group Member shall not disclose any documentation or information that is subject to an attorney-client privilege referenced in this Section 10.10 without the prior written consent of the Seller

Representative; *provided, however*, that if such Parent Group Member is required by judicial order or other legal process to make such disclosure, such Parent Group Member shall promptly notify the Seller Representative in writing of such requirement (without making disclosure) and shall provide the Seller Representative with such cooperation and assistance as shall be necessary to enable the Seller Representative to prevent disclosure by reason of such attorney-client privilege. This Section 10.10 is for the benefit of the Seller Group Members and each Law Firm and such Persons are intended third-party beneficiaries of this Section 10.10. This Section 10.10 may not be amended, waived, revoked or modified without the prior written consent of each Law Firm.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Parent, Merger Sub, the Company and the Seller Representative have duly executed this Agreement, all as of the date first written above.

SOO LINE CORPORATION

by 

Name: James Clements

Title: SVP Strategic Planning & Technology Transformation

BLACK BEAR ACQUISITION LLC

by 

Name: James Clements

Title: SVP Corporate

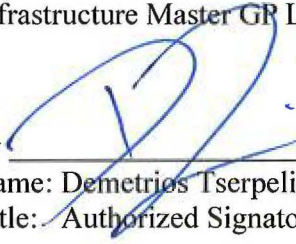
RAILROAD ACQUISITION HOLDINGS LLC

by 
Name: Ryan C. Ratledge
Title: CEO, CFO & President

**Solely in its capacity as the Seller
Representative:**

FORTRESS WORLDWIDE TRANSPORTATION
AND INFRASTRUCTURE GENERAL
PARTNERSHIP

By: Fortress Worldwide Transportation and
Infrastructure Master GP LLC, its partner

by 

Name: Demetrios Tserpelis

Title: Authorized Signatory

Exhibit 15

Operating Plan - Minor

OPERATING PLAN – MINOR

Applicants seek approval by the Board of Soo Line Corp's ("CP") acquisition of control of CMQR US. CMQR US operates approximately 301.45 route miles of rail lines in the United States.¹ Specifically, CMQR US owns approximately 244.2 miles of rail lines in Vermont and Maine, of which 23.47 miles are in Vermont and 220.73 miles are in Maine. CMQR also holds the right to operate on approximately 57.25 miles of rail line leased from the State of Maine's Department of Transportation, for a total of approximately 301.45 miles (the "Transaction"). The Transaction will provide CP customers with seamless, safe and efficient access to ports at Searsport, Maine and, via haulage, to Saint John, New Brunswick.

Upon satisfaction of all conditions to closing, the Transaction will be consummated.² The Transaction will preserve and enhance competition in northeastern U.S. and eastern Canada. The CMQR system, which connects to CP end-to-end at St-Jean sur Richelieu outside of Montreal, has become an important CP interline carrier and is a natural fit for CP's network. In this respect, CP's ownership of the CMQR system preserves CP's access to eastern Canada and the Northeast U.S., allowing it to compete more vigorously against other rail carriers in the region including Canadian National to the north and Norfolk Southern and CSX to the south.

In accordance with the Board's rules applicable to "minor" transactions, this Operating Plan "[d]iscuss[es] any significant changes in patterns or types of service" that CP currently expects to make on the CMQR US lines following consummation of the Transaction. 49 C.F.R. § 1180.8(c). To the extent applicable, the Operating Plan includes information regarding:

¹ Abbreviations in this Operating Plan, if not otherwise defined, have the meanings given in the Table of Abbreviations of the Application.

² The parties intend to consummate the merger on December 30, 2019. In order to avoid unlawful control of CMQR US in violation of 49 U.S.C. § 11323, immediately upon consummation all of the common shares of CMQR US will be deposited in an independent voting trust pending approval of the Transaction by the Board.

(1) Traffic level density on lines proposed for joint operations; (2) Impacts on commuter or other passenger service operated over a line which is to be downgraded, eliminated, or operated on a consolidated basis; (3) Operating economies, which include, but are not limited to, estimated savings; and (4) Any anticipated discontinuances or abandonments. *Id.*

I. Pre-Transaction Operations

A. Train Operations

The CMQR operates a rail network in Maine and Vermont in the United States and the Canadian province of Quebec. A map of the network is included in Exhibit 1 of the Application. The CMQR system is comprised of the following:

(1) the rail line beginning at a point in the vicinity of Searsport, ME, designated on CMQR US's system map as Milepost 0.0± of CMQR US's Bangor Subdivision and continuing north through the state of Maine through Brownville Junction to a point in the vicinity of Millinocket, ME designated as Milepost 109.00± of CMQR US's Millinocket Subdivision, a distance of approximately 109 miles;

(2) the rail line beginning at a point in the vicinity of Millinocket, ME designated on CMQR US's system map as Milepost 0.0± of the East Millinocket Subdivision and continuing southeast to East Millinocket, ME to a point designated as Milepost 6.19± of CMQR US's East Millinocket Subdivision, a distance of approximately 6.19 miles;

(3) the rail line beginning at a point in the vicinity of Brownville Junction, ME, designated on CMQR US's system map as Milepost 0.0± on CMQR US's K.I. Subdivision and continuing to a point in the vicinity of Brownville Junction, ME designated as Milepost 4.0± of the K.I. Subdivision, a distance of approximately 3.74 miles;

(4) the rail line beginning in the vicinity of Brownville Junction, ME from a point of connection with Eastern Maine Railway Company designated on CMQR US's system map as Milepost 0.0± of CMQR US's Moosehead Subdivision and continuing west to the United States/Canada border near Skinner, ME, designated as Milepost 101.80± of the Moosehead Subdivision, a distance of approximately 101.8 miles;

(5) the rail line beginning at the United States/Canada border crossing in the vicinity of Richford, VT designated on CMQR US's system map as Milepost 26.25± of CMQR US's Newport Subdivision. The line crosses back into Canada at Milepost 32.63± and enters the U.S. again at Milepost 43.32± near North Troy, VT. The line continues south to a point in the vicinity of Newport, VT, designated as Milepost 60.4± at the end of the Newport Subdivision. The total length of the Newport Subdivision line in the U.S. is approximately 23.47 miles; and

(6) the rail line leased from the Maine Department of Transportation beginning in the vicinity of Brunswick, ME designated on CMQR US's system map as Milepost 29.40± of CMQR US's Rockland Subdivision and continuing to a point in the vicinity of Rockland, ME designated as Milepost 86.65± of the Rockland Subdivision, a distance of approximately 57.25 miles.³

B. Interchanges

A great majority of the traffic the CMQR handles originates or terminates on connecting railroads. Approximately {{ }} of CMQR's traffic is physically interchanged with CP at Iberville, Quebec, three miles east of the designated interchange at St-Jean sur Richelieu. In total, the CMQR interchanges traffic with seven railroads: (i) Canadian National Railway (CN); (ii) CP;

³ The total approximate mileage of 301.45 is the sum of the mileages on the individual segments. Milepost numbers do not necessarily reflect exact mileage, and therefore the mileage of certain segments may be slightly different than the number calculated based on milepost numbers.

(iii) Maine Northern Railroad (MNR); (iv) New Brunswick Southern Railway Co. Ltd. (NBSR)/Eastern Maine Railway Company Limited ("EMRY"); (v) St. Lawrence & Atlantic Railway (SLR/SLQ); (vi) Springfield Terminal/Pan Am Railways (ST) (Pan-Am); and (vii) Vermont Rail System (VTR).

There are seven designated interchange connections in the United States, including designated interchanges at the yard in Derby, ME, where the Katahdin Railcar Services (KRS) car cleaning facility is located, and at Brunswick, ME where the Rockland subdivision operated by CMQR US connects with the Springfield Terminal/Pan-Am Railways. Millinocket is designated an interchange with both Maine Northern Railroad and CN, even though only the MNR connects physically to the CMQR.

US Station Name	Railroad
BROWNVILLE JUNCTION, ME	NBSR/EMRY
BRUNSWICK, ME	ST
DERBY, ME	Shop
MILLINOCKET, ME	CN
MILLINOCKET, ME	MNR
NEWPORT, VT	VTR
NORTHERN MAINE JUNCTION, ME	ST

1. Current Interchange with CP

The physical interchange between CMQR and CP is performed at Iberville, QC. CP serves the interchange on local train F91, which departs St-Luc yard, located on the island of Montreal, six days per week (except Saturdays). After performing interchange at Iberville, Local F91 returns to St-Luc yard. CMQR Job 814/812 is the local service operating between the Iberville interchange and the CMQR yard at Farnham, QC. CMQR local Job 814 runs Monday to Friday, and Job 812 operates on Sundays.

The interchange track at Iberville is about 4500' in length. The track length limits the size of the interchange to 4500' of traffic and requires coordination between CP and CMQR. CP and CMQR do not pre-block traffic for each other, so all traffic that arrives on Local F91 is switched by CP for outbound train services. Similarly, on arrival back at Farnham yard, Job 814/812 traffic is switched for CMQR outbound train connections.

C. Yards

CMQR US operates seven yards across the CMQR system:

- Derby Yard near Milo, ME: supports car and locomotive service activities at the facilities in that yard.
- Newport, VT: operational six-days-a-week to operate eastbound and westbound mainline trains, set-out and pick-up mainline train cars for Sherbrooke, deliver/pick-up St. Lawrence & Atlantic Railway interchange trains, and perform local train service and car switching for customers at or near Lac Megantic, QC.
- Brownville Junction, ME: operational seven-days-a-week to operate westbound mainline trains to Jackman, ME, build trains operating to/from Northern Main Junction, ME and Millinocket, ME, build haulage trains interchanged with New Brunswick Southern Railway, provide local train service for customers, provide service to Derby yard/shops, and switch cars in yard.
- North Maine Junction, ME: operational seven-days-a-week to operate trains to/from Brownville Junction, ME and Searsport, ME, interchange traffic with Springfield Terminal/Pan Am Railways, provide local service for customers, provide service to Derby yard/shops, and switch cars in yard.

- Rockland, ME, Searsport, ME, and Millinocket, ME: support the operations of crew stationed at other CMQR US yards.

D. Intermodal Operations

CMQR US does not currently handle any intermodal traffic.

E. Labor

The table immediately below sets forth the number of CMQR, KRS and Hannibal subdivision management and non-management personnel located in the US, as of November 21, 2019.

CMQR Headcount by Location - US			
Location	Managerial	Non Managerial	Total
Bangor ME	14	2	16
Corporate	6	0	6
Finance	2	2	4
Marketing	6	0	6
Brownville Jct ME	0	15	15
Engineering	0	6	6
Transportation	0	9	9
Greenville ME	0	3	3
Engineering	0	3	3
Hermon ME	0	10	10
Engineering	0	3	3
Transportation	0	7	7
Milo (Derby) ME	10	23	33
Corporate	1	0	1
Engineering	1	0	1
Finance	1	0	1
Mechanical	1	8	9
Mechanical KRS	6	15	21
Rockland ME	0	4	4
Engineering Rkl	0	2	2
Transportation Rkl	0	2	2
Maine	4	3	7
Engineering	3	3	6
Transportation	1	0	1
Newport VT	1	2	3
Engineering	1	1	2
Transportation	0	1	1
Hannibal OH	1	1	2
Transportation	1	1	2
System	1	0	1
Transportation	1	0	1
Total	31	63	94

The following table provides a breakdown of the CMQR employee count by employee group. This summary excludes employees of KRS.

Employee Group	Location										Total
	Bangor	Brownville Junction	Greenville	Hannibal	Hermon	Maine	Milo	Newport	Rockland	System	
Conductor		3			1						4
Engineer		6		1	6			1	2		16
Machine Operator		3	2		2			1			8
Foreman		3	1		1				1		6
Welder						1					1
Signal Maintainer						1			1		2
Track Inspector						1					1
Mechanic							22				22
Electrician							1				1
Unionized Total	0	15	3	1	10	3	23	2	4	0	61
Transportation Manager				1		1				1	3
Engineering Manager						3	1	1			5
Mechanical Manager							1				1
KRS Manager							6				6
Corporate Manager	14						2				16
Administration	2										2
Management/Admin Total	16	0	0	1	0	4	10	1	0	1	33
Grand Total	16	15	3	2	10	7	33	3	4	1	94

F. Katahdin Railcar Services LLC

Katahdin Railcar Services LLC (KRS) is a wholly-owned subsidiary of CMQR US which operates a rail tank car cleaning and repair facility located in Derby, Maine. Twenty-one CMQR US employees in Milo, ME are engaged in activities at the KRS facility.⁴

G. Hannibal Subdivision Contract Operations

Pursuant to a rail service contract with Ohio River Partners—the owner and common carrier on the line—CMQR operates the Hannibal subdivision, a 12-mile rail line in Ohio. This subdivision is not contiguous with CMQR's other lines. Specifically, two CMQR US employees operate the five-days-per-week train servicing Long Ridge Energy Terminal at Hannibal, OH, and connecting to the Norfolk Southern Railroad.

⁴ Applicants anticipate that KRS will be included in the property conveyed in the Transaction. At the time of filing, however, an agreement on KRS has not been finalized.

II. Post-Transaction Operations

Existing CMQR train design and operations will be retained initially to ensure seamless transition to new ownership. Once operations under the new ownership environment are at a stable steady state, operations design changes that improve efficiency of an integrated system will be implemented.

Capital investments that improve the safety and speed of train operations will complement the application of operating principles that have generated significant efficiency improvements on CP. Among the expected operating changes are fewer train connections, pre-blocking traffic for distant nodes, reducing yard processes and optimizing connections between local jobs and interchanges.

Improving main line and yard operations will be two areas of early focus. For example, pre-blocking traffic at CMQR origins for more distant destination nodes avoids re-work en route and expedites traffic through yards by facilitating block swapping cars to outbound train connections. Similarly, opportunities to pre-block CP-originated traffic destined for CMQR will reduce the volume of switching currently performed at CMQR yards.

There is significant potential to create a more efficient main line operation between major yards on in integrated CP-CMQR system. The mainline train service between CP's St-Luc yard and CMQR's Brownville Junction yard will be reviewed in order to, among other things, eliminate the 4500' interchange restriction at Iberville. This will also improve mainline railcar transit times and reliability.

Local train service and yard assignments will be reviewed to identify other consolidation opportunities. As a significant portion of CMQR's volume is interchange traffic, translating

improvements in traffic blocking and mainline operations into improved interchange operations will be a priority. For example, Applicants will seek to establish optimal timed connections to local jobs or interchanges as this will create benefits for both customers and interline carriers. Of particular interest will be exploring scheduled connections between new mainline train services and the NBSR.

The ultimate intent is to create faster and more economical service between CP's St-Luc yard in the west and Atlantic port outlets in the east, including Searsport, ME on the CMQR and NBSR's Saint John, NB yard. Generally, faster services will open up opportunities for growth of particular traffic that today does not operate on the CMQR.

As to the Rockford subdivision, a non-contiguous line to the rest of the CMQR, the immediate intent will be to maintain the present services between Rockland, ME and Brunswick ME. Changes will be considered in the event of a significant change in the volume of interchange traffic with Springfield Terminal/Pan-Am at Brunswick, or a change in the Amtrak agreement.

A. Changes to Train Operations

Initially, there will be very little change to the current train operations. Eventually, the integration of CP and CMQR train operations will facilitate train start rationalization resulting in fewer but longer main line trains and fewer yard local assignments, and an increase in the frequency of selected trains and assignments from five-or-fewer days a week to up to seven-days a week. The timing of these changes will depend on the pace of track speed increases achieved by capital spending to improve track infrastructure and safety, and on traffic volumes. Longer-term, the net impact of operations changes and traffic volume is uncertain but unlikely to result in a significant change from the pre-Transaction operations of the CMQR.

Locomotive power will be reviewed with the goal of better aligning horsepower to tonnages. This will improve operational efficiency, allowing for longer and faster trains while reducing fuel consumption on a gross ton-mile basis.

With regard to potential changes in traffic volumes, CMQR traffic volume has increased rapidly in recent years, from approximately 20,300 carloads in 2016 to 24,600 in 2018. {{

}} through increased marketing and sales resourcing.

These traffic forecasts are assumed to be achieved on the existing CMQR network. CP has no plans to purchase additional lines contiguous to the CMQR network.

The following table shows the estimated number of trains on the Rail Segment Lines per month before and after the Transaction. Because the expectation is that there will be little or no immediate change in current train operations after the Transaction, the below traffic volume chart does not reflect any Transaction-related changes in the volume of rail traffic. Eventually, and depending on the variables described above, there may be some changes in the volume of rail traffic, however, those changes do not necessarily correlate to increased train operations. Operation of longer trains may lead to fewer main line trains and/or allow CP to absorb some or all of the volume growth in existing train service. At this time, CP anticipates that any change in train volumes will be minor.

Table 1.
Transaction-Related Changes in Rail Traffic: Base Case vs. Post-Transaction

<i>Rail Line Segment</i>	<i>Pre-Transaction Traffic (Trains/Month)</i>	<i>Post-Transaction Traffic (Trains/Month)</i>	<i>Change in Number of Trains After Transaction (decrease is indicated by parentheses)</i>
Newport Subdivision	20	20	0
St-Guillaume Subdivision *	0	0	0
Stanbridge Industrial Spur *	0	0	0
Adirondack Subdivision	60	60	0
Sherbooke Subdivision	40	40	0
Moosehead Subdivision	32	32	0
Millinocket Subdivision	20	20	0
Bangor Subdivision	48	48	0
Rockland Subdivision	16	16	0
Job 1 – Brownville Jct to Farnham	20	20	0
Job 2 – Farnham to Brownville Jct	20	20	0

* The St-Guillaume subdivision and Stanbridge Industrial Spur are currently out-of-service. CP does not currently have plans to restore service.

B. Changes to Interchanges

St-Jean sur Richelieu, QC will no longer be designated an interchange for CMQR, as the interchange will no longer be relevant for traffic moving between CP and CMQR. St-Jean sur

Richelieu will remain a designated interchange for CP and CN, even though they physically interchange elsewhere.

Applicants expect to modify the physical interchange operations at Iberville, Quebec just east of CP's St-Jean sur Richelieu Yard. This would enable increased train lengths on CMQR. Currently, due to the length of the interchange tracks at Iberville, train length is limited to 4,500 feet. Modifying the physical interchange operations and/or infrastructure, will allow longer trains, and improve main line railcar transit times and reliability. This may in turn reduce the number of main line CMQR trains.

Applicants have no plans to change the interchange points with other railroads at this time.

C. Changes to Yard Operations.

No changes are currently planned to the current Yards on CMQR US's system. CP is assessing the local traffic demands and interchange assignments, and looking for opportunities to improve efficiency and reliability on the CMQR US lines, which may result in a change to yard operations and locations.

D. Maintenance and Capital Investment

To provide faster and more efficient and economical service and ensure safe operations, CP plans to invest in infrastructure. CP's preliminary estimate is that it will spend as much as \$75 million over the next three years as part of a capital plan to upgrade the condition of much of the CMQR system to FRA Class 3 or equivalent Canadian standards.⁵ CP anticipates that this capital plan will include extensive tie replacement, rail replacement, joint elimination, shoulder cleaning, and switch and grade crossing upgrades. These investments would bring much of the CMQR

⁵ CP is in the process of evaluating CMQR's condition and infrastructure requirements. The estimates for capital spending are preliminary.

system up to CP standards, allow CMQR to operate at speeds above 40 MPH and further improve safety. The faster operating speeds should reduce the number of train crews required, reduce cycle times, improve equipment utilization and improve the reliability and consistency of service.

E. Impacts on Commuter and Other Passenger Rail Service.

The only passenger service operating on lines owned or operated by CMQR is the Amtrak service operating on the Rockland subdivision. Amtrak terminates at the Brunswick Terminal at the west end of the line and does not operate over the line. The Rockland line is owned by the State of Maine, and CMQR is under contract to operate and maintain the track between Brunswick, ME and Rockland, ME. There are no plans to make any changes to the operations or management of the Rockland operation that would alter Amtrak's future ability to operate.

F. Abandonments and Discontinuances

There are no plans to abandon or discontinue service on CMQR rail lines in the United States resulting from CP's acquisition of the CMQR.

G. Labor Impacts

No current CP employees will be adversely affected by the Transaction. With regard to CMQR US employees, there will be very little or no change to the current count of CMQR US train operations and field management employees. Longer-term, the net impact of operations changes and traffic volume is uncertain, but unlikely to result in a significant change in the number of operating and field management employees. Moreover, no immediate impact on CMQR US employees resulting from the consummation of the Transaction is anticipated except as noted below.

Specifically, as to the Hannibal line in Ohio, as it is not contiguous with any of Applicants' operations, the service contract between CMQR US and Ohio River Partners, the common carrier on the line, will terminate six months after the Transaction closes. Applicants expect that the two

CMQR US employees on the Hannibal line will likely be offered jobs by Ohio River Partners. Applicants expect those two employees will accept that employment, but if not, Applicants will look for opportunities to provide those two employees employment.

The integration of CP and CMQR train operations will likely result in both fewer mainline trains and fewer yard and local assignments, but will also increase the frequency of selected trains and assignments from five-or-fewer days-a-week to up to seven days-a-week. Applicants expect that increases in traffic volumes will have positive employment impacts that offset any impacts from train and assignment reductions, leaving the count of operating personal unchanged over the long term. The direction and scale of any interim reductions is unknown at present.

Certain administrative, corporate and other support functions will be integrated consistent with CP's management of its other US operating railroads. Over time, this will reduce the number of CMQR positions devoted to those functions in Bangor. In order to complete this transition, few positions will be eliminated in the short run.

Employment agreements exist for selected top managers. Other employees adversely affected by the Transaction are protected by employee protective conditions as imposed by the Board under *New York Dock Ry.—Control— Brooklyn Eastern District Terminal*, 360 I.C.C. 60, *aff'd sub nom. New York Dock Ry. v. United States*, 609 F.2d 83 (2d Cir. 1979), in addition to any rights they may have under their collective bargaining agreements.

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Docket FD 36368

SOO LINE CORPORATION—CONTROL—CENTRAL MAINE & QUEBEC
RAILWAY US INC.

VERIFIED STATEMENT OF JAMES D. CLEMENTS

My name is James D. Clements. I am the Senior Vice-President of Strategic Planning and Technology Transformation for Canadian Pacific (“CP”).¹ My office is in Calgary, Alberta. I have been employed by CP since 1994 and have occupied my present position since 2019. Immediately prior to this position, I was the Vice-President of Strategic Planning and Transportation Services for CP since 2014. During my employment with CP, I have served in a variety of planning, operating, commercial, and administrative roles, including Financial Analyst, Director – US Grain Marketing and Sales, Director – Mines, Metals and Aggregates and General Manager – Car Management. In these roles, I have been closely involved in several prior rail transactions in the United States, including CP’s acquisition of the Dakota, Minnesota & Eastern Railroad Corporation (“DM&E”)², the subsequent sale of the west end of the DM&E to the Rapid City, Pierre & Eastern Railroad, Inc.³, and the sale of the south end of the Delaware

¹ Canadian Pacific is a trade name under which Canadian Pacific Railway Company and its United States subsidiaries Soo Line Railroad Company, Dakota, Minnesota & Eastern Railroad Corporation, and Delaware and Hudson Railway Company, Inc. operate.

² FD 35081.

³ FD 35799.

and Hudson Railway Company, Inc. to Norfolk Southern.⁴ As a result, I am familiar with CP operations in the United States, and am familiar with the United States rail industry generally. I have also been closely involved in CP's proposed acquisition of the Central Maine & Quebec Railway US Inc. ("CMQR US") (the "Transaction").

The purpose of my verified statement is to provide some historical context regarding the lines that comprise the CMQR and their relation to CP. I also describe the public benefits of the Transaction including the preservation and enhancement of intermodal and intramodal competition and, as a result of CP's planned investments in the CMQR system (including investment in CMQR US), quicker, seamless and more efficient rail service, and improved safety.

BACKGROUND

Soo Line Corp, a U.S. holding company that is a wholly owned indirect subsidiary of Canadian Pacific Railway Company,⁵ is acquiring CMQR US and Central Maine & Quebec Railway Canada Inc. ("CMQR Canada") (collectively, the "CMQR system" or "CMQR") and in doing so acquiring 481 miles of rail lines, much of which CP previously owned. The CMQR system connects to CP at St-Jean sur Richelieu, Quebec in Montreal and runs east to the Atlantic seaports of Searsport, Maine and (via haulage) to Saint John, New Brunswick. CMQR US also owns a branch line that runs south into northern Vermont, a line running north from Searsport to Millinocket, ME, and leases the line between Brunswick and Rockland, ME from the State of Maine.

In the early 1990s, little traffic moved on CP's portion of the trackage that now comprise the CMQR system. In 1995, CP sold the Sherbrooke and Moosehead subdivisions between

⁴ FD 35873.

⁵ The following U.S. railroads are direct or indirect wholly owned subsidiaries of Soo Line Corp: Soo Line Railroad Company; Dakota, Minnesota & Eastern Railroad Corporation; and Delaware and Hudson Railway Company.

Brookport, QC and Brownville Junction to Iron Road Railways ("IRR"), which operated the lines as Canadian American Railroad ("CDAC"). In 1996, CP sold the Adirondack subdivision between St.-Jean sur Richelieu, QC and Brookport; the Stanbridge subdivision between Farnham, QC and Stanbridge, QC; the St.-Guillaume subdivision between Farnham and Ste.-Rosalie, QC; and the Newport subdivision between Brookport and Newport, VT to IRR. IRR operated the Newport subdivision as Northern Vermont Railway and the remaining subdivisions as CDAC. After IRR declared bankruptcy in 2002, Montreal, Maine and Atlantic Railway ("MMA") purchased the assets in 2003. In 2013, following the Lac-Megantic disaster, MMA also filed for bankruptcy. Rail Acquisition Holdings LLC ("RAH"), a subsidiary of Fortress Transportation & Infrastructure ("FTAI"), then acquired the assets at auction in January 2014 and established CMQR US and CMQR Canada. Under FTAI's ownership, the CMQR system has become a financially sound railroad with a substantial and growing traffic base.

CP'S INTEREST IN ACQUIRING THE CMQR

Today, the CMQR system handles more than 24,000 carloads a year. Of that traffic, CMQR interchanges approximately {{ }} with CP at St-Jean sur Richelieu, Quebec.⁶ Thus, the CMQR system, which connects to CP end-to-end at St-Jean sur Richelieu, has become an important CP interline carrier and is a natural fit for CP's network. As a result, when FTAI sought a buyer for the railroad earlier this year, CP sought to acquire it.

CP's interest in acquiring the line is in part to protect the growing traffic volumes that it interchanges with CMQR. We estimate that the sale of CMQR to another Class I carrier could have put at risk as much as {{ }}⁷ in annual revenue for CP and could have severely restricted CP's ability to compete for traffic to and from eastern ports and other CMQR

⁶ The actual physical interchange occurs at Iberville, QC which is east of St-Jean sur Richelieu and CP's St. Luc Yard in Montreal.

⁷ {{ }}

served origins and destinations. As discussed below, CP also sees opportunities to grow traffic volumes on the CMQR and to operate more efficiently.

**PRESERVED AND ENHANCED COMPETITION WITH NO
ANTICOMPETITIVE EFFECTS**

CP's ownership of the CMQR system is critical to preserving competition in northeastern U.S. and eastern Canada. This includes competition against Canadian National to the north and Norfolk Southern and CSX to the south. Sale of CMQR to another Class I Carrier could largely shut CP out from the eastern markets that CMQR serves. With CP's ownership, it can continue to compete against other intramodal and intermodal carriers to serve these markets.

The Transaction will have no anti-competitive effects. It is an end-to-end transaction that rejoins the CMQR system to the CP system. No shippers will lose competitive rail service. CP intends to maintain existing CMQR interchanges with other railroads. Further, CMQR faces strong intermodal competition in Vermont and Maine for a significant portion of its traffic. Approximately 38% of CMQR US traffic consists of forest products and other commodities that are subject to an STB commodity exemption due to intermodal competition. CMQR US also faces barge competition between the ports of Saint John, New Brunswick and Searsport, Maine.

In addition to preserving CP's ability to compete for traffic originating or terminating on the CMQR, CP sees in CMQR an opportunity to enhance its ability to compete by improving service. Among other things, as discussed below, CP plans to modify the physical interchange operations between CP and CMQR and invest in capital projects which will enable operations that are faster, seamless and more efficient.

Such improved service will benefit shippers by opening new markets such as the import and export markets served by the Atlantic deep-water ports at Searsport in Maine and Saint John in New Brunswick. CP single line-haul service to Searsport creates the potential to broaden the

range of both the commodities handled and the geographic markets reached through this Atlantic port. CP intends to work with port facility owners and operators, shippers and receivers to improve the competitiveness of this deep-water port and expand the volume of traffic moving through it. As to the Port of Saint John, this deep-water port is currently undergoing a CAD \$205 million modernization and expansion that is estimated to triple the port's container handling capacity by 2023.⁸ CP intends to work with shippers and interline carriers to compete vigorously for the port's traffic.

IMPROVED SERVICE WILL SUPPORT TRAFFIC GROWTH

With faster, seamless and more efficient service and expanded market reach, CP sees an opportunity to grow traffic and thereby grow revenue. In the near term, CP expects organic growth of the existing CMQR traffic base, particularly forest products and chemicals. We also expect near and long term growth in CP's traffic base. The efficiencies that CP will drive, as well as improvements at the ports, will make these import and export markets a more attractive option for current CP's customers and enhances our ability to win new customers from intermodal and intramodal competitors. In total, we conservatively estimate near term growth of 2% to 3% per year over the next four years. This would represent an increase by 2023 of approximately three to four thousand cars and approximately {{ }} in revenue. CP and CMQR estimate that there is the potential for additional growth of up to seven thousand cars for additional revenue increase of up to approximately {{ }}.

CP has identified several opportunities to lower costs and operate more efficiently. For example, CP currently physically interchanges with CMQR Canada at Iberville. CP expects to modify how this interchange occurs in order to make it more efficient and seamless. Currently,

⁸ See e.g., <https://canadiansailings.ca/port-saint-johns-west-side-modernization-project-on-schedule/>

due to the length of the interchange tracks at Iberville, train length is limited to 4,500 feet. Modifying interchange operations will allow longer trains to operate between CP and CMQR. Operating longer trains may in turn reduce the number of main line CMQR trains although train frequency will largely depend on actual traffic volumes. Additionally, CMQR would gain access to CP's equipment pool, enabling, for example, better alignment of locomotive horsepower to operations on CMQR's system and providing more flexibility on train lengths and speed. Optimizing locomotive power to tonnage, together with implementation of CP's operating model, also will increase CMQR's fuel efficiency. Further, CP expects that both CMQR and CP would be able to perform pre-blocking of traffic for each other, which would create additional operating efficiencies and cost savings.

CP has also identified additional opportunities to lower costs by consolidating some of the back office functions. We expect these opportunities to yield costs savings of approximately {{ }} in merger synergies.

CP'S CAPITAL INVESTMENT PLANS TO SUPPORT IMPROVED SERVICE AND SAFETY

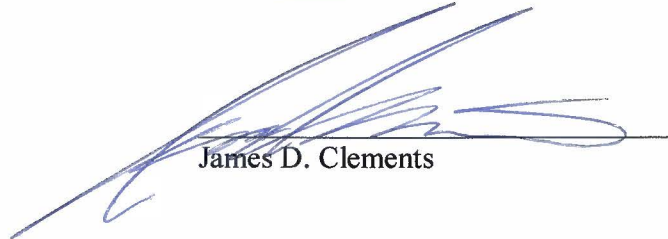
To provide faster and more efficient service and ensure safe operations, CP plans to invest in CMQR's infrastructure. Over the past few weeks CP's engineering team has conducted a hi-rail tour of the CMQR and put together options for capital projects for the entire CMQR system. CP's preliminary estimate is that Applicants will spend as much as \$75 million or more over the next three years as part of a capital plan to upgrade the condition of much of the CMQR system to FRA Class 3 or Canadian equivalent standards. CP anticipates that this capital plan will include extensive tie replacement, rail replacement, joint elimination, shoulder cleaning, and switch and grade crossing upgrades. These investments will bring much of the CMQR system up to CP standards, allow Applicants to operate at speeds above 40 MPH and further improve

safety. The faster operating speeds should reduce the number of train crews required, reduce cycle times, improve equipment utilization and improve the reliability and consistency of service.

These planned capital investments highlight another important aspect of the Transaction; namely, it would place the CMQR system in the hands of a Class I railroad. In doing so, the Transaction helps ensure that CMQR will have access to capital, as well as other Class I resources, needed to operate safely and efficiently, and to grow volumes. For example, the Transaction will provide CMQR access to the capital needed to, among other things, make the track upgrades discussed above and maintain the track in good operating condition. It will also provide access to the capital needed to work with shippers to develop potential new business opportunities.

VERIFICATION

I, James D. Clements, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to sponsor this Verified Statement. Executed on this 10th day of December, 2019.



James D. Clements

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 36368

**SOO LINE CORPORATION – CONTROL –CENTRAL MAINE & QUEBEC RAILWAY
US, INC.**

VERIFIED STATEMENT OF RYAN RATLEDGE

My name is Ryan Ratledge. I am President and Chief Executive Officer of Central Maine & Quebec Railway US Inc. (“CMQR”). My business address is 700 Main Street, Suite 300, Bangor, Maine 04401. I began my career in the railroad industry in 1994 as a switchman with ATSF (now BNSF). Since then, I have served in a variety of operations-related positions with increasing responsibility, including Terminal Superintendent at BNSF, General Manager of the Puget Sound and Pacific Railroad, and General Manager of the Indiana and Ohio Railway. In 2011, I was appointed Vice President of RailAmerica’s Midwest Region, with responsibility for supervising the operations of RailAmerica’s nine short-line railroads in the region. Following the acquisition of RailAmerica by Genessee & Wyoming, Inc. (“GWI”), I served for more than a year as GWI’s Senior Vice President of Strategic Operations. I joined CMQR as Chief Operating Officer in 2014 and was appointed President and CEO in January 2017.

The purpose of this Verified Statement is to describe the substantial benefits for CMQR and the public that will be made possible by Soo Line Corporation’s proposed acquisition of CMQR. As my testimony will demonstrate, the eventual integration into Canadian Pacific’s network will enhance the efficiency of CMQR’s operations, enable CMQR to offer our

customers direct access to points across Canada and the United States, and provide us with continued access to the capital required to pursue further infrastructure improvements and new business opportunities.

In May 2014, CMQR acquired the rail assets of the Montreal, Maine & Atlantic Railway Company (“MMA”), which entered bankruptcy in the wake of the tragic Lac Megantic rail disaster. Over the past five years, CMQR has made significant investments in our physical plant to improve the safety and efficiency of our train operations. We have reengaged with customers who, left with no other choice, diverted business away from MMA during its bankruptcy. In January 2016 we expanded the CMQR network by entering into an agreement with the State of Maine Department of Transportation to operate the Rockland Branchline located between Brunswick and Rockland, ME. More recently, CMQR established a new subsidiary, Katadhin Railcar Services, which offers tank car cleaning, repair and inspection services.

Our team could not be prouder of these accomplishments. However, as a standalone short line carrier, CMQR is inherently limited both geographically and commercially. Upon consummation of the proposed transaction, CMQR will become an extension of CP’s transcontinental Class 1 rail network. This will create a more efficient single-system service option between CMQR’s service territory and CP-served points across the United States and Canada. While direct access to CP’s network is important to many existing CMQR shippers, the transaction will also provide additional routing options via a myriad of CP interchange points with other carriers giving shippers access to stations throughout North America.

CP’s relationships with large global customers will create new traffic opportunities for CMQR. With direct access to the Port of Searsport, ME, CP will have the ability to offer more efficient and seamless service to and from CP-served points creating the potential for shippers to

move commodities including bulk materials and automobiles to or from this strategic port.

CMQR's ability to offer more efficient transcontinental rail service, as well as access to capital to support industrial development, is likely to encourage new industries to locate on our lines.

Such initiatives will not only benefit CMQR directly but will also generate important economic benefits for the Maine communities that we serve.

Access to CP's capital resources will enhance CMQR's service and competitive ability. CMQR's current owners greatly assisted us in obtaining the necessary capital required to make CMQR a safe railroad following the Lac Megantic tragedy. The commercial opportunities created by the proposed transaction may provide incentives for CP to invest in further improvements, such as upgrading CMQR's track to permit greater train speeds and constructing additional facilities. CP's robust purchasing power should also reduce CMQR's costs for fuel, track materials and other necessary inputs.

Integration of CMQR into the CP system will not pose any operational risk. Indeed, CMQR's east-west line between St. Jean and Brownville Jct., ME was once part of the CP system. Our lines connect (via our affiliate, CMQR Canada) at only one location, St. Jean, PQ. (While St. Jean is the nominal CP-CMQR interchange point, the carriers, for operating convenience, conduct the physical interchange several miles east, at Iberville, PQ.) Our existing train schedules, which are already well coordinated, are likely to become seamless. Our respective IT functions can likewise be consolidated without a risk of material service disruption.

The investments that CMQR made in its track and facilities over the past several years have enabled us to realize substantial gains in the railroad's safety performance record. As a result, CMQR enjoys a more cooperative relationship with FRA than our predecessor, MMA.

We anticipate that, under CP ownership, CMQR's safety record and culture will only continue to improve.

CMQR is thrilled with the prospect of becoming part of a transcontinental rail network. As the foregoing testimony demonstrates, we expect that the proposed transaction will generate substantial benefits for CMQR, our customers and the communities that we serve. The letters of support filed with this Application show that our customers agree with that assessment. I respectfully ask that the Board promptly approve the Application, so that CMQR can embark on the next chapter in its recovery from the events that led to the bankruptcy of our predecessor.

VERIFICATION

Ryan Ratledge, being duly sworn, states that he is President and Chief Executive Officer of Central Maine & Quebec Railway US Inc. "CMQR"), that he is authorized to submit this Verified Statement on behalf of CMQR, that he has read the foregoing Verified Statement and is familiar with the facts set forth therein, and that the same are true and correct to the best of his information, knowledge and belief.

A handwritten signature in blue ink, appearing to read "Ryan Ratledge", is written over a horizontal line.

Ryan Ratledge

Dated: December 11, 2019

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. 36368

SOO LINE CORPORATION

—CONTROL—

CENTRAL MAINE & QUÉBEC RAILWAY US INC.

LETTERS OF SUPPORT

State of Maine - Department of Transportation
Maine Port Authority
Alliance Shippers Inc.
Axsun INC
Bison Transport
Canadian International Freight Forwarders Association
Caravan Supply Chain Inc.
Cavendish Farms
C.H. Robinson
Chemtrade Logistics
COSCO Shipping Logistics North America, Inc.
Express System Intermodal, Inc.
Fastrate Group
GAC Chemical Corporation
Irving Consumer Products Limited
Irving Paper, Limited
J.D. Irving Limited Sawmills
Irving Wallboard/Atlantic Wallboard Limited
Keltic Transportation Inc.
Maritime-Ontario Freight Lines Ltd.
Nestle Canada
One for Freight/Ontario New England Express Inc.
Pleasant River Lumber Company
Purolator Inc.
Routes Transport Group
Shipping Federation of Canada
Sprague Energy
TAFISA Canada Inc.
Vitran
Volume Freight Solutions
Wellington Group of Companies



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

PUBLIC VERSION

Janet T. Mills
GOVERNOR

Bruce A. Van Note
COMMISSIONER

December 11, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: **Docket #: FD36368**
*Application by Soo Line Corporation for STB approval to acquire the
Central Maine & Quebec Railway*

Dear Board Members:

The Maine Department of Transportation submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

MaineDOT has primary responsibility for statewide travel by all modes. MaineDOT's mission is to ensure a safe, reliable, and efficient transportation system.

MaineDOT supports the proposed acquisition because it:

- Preserves and enhances overall competition in Maine and the Northeast surface transportation market;
- Will result in more efficient, seamless rail service for Maine shippers;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports, particularly Searsport, Maine;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR rail lines

For the above reasons, MaineDOT strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Bruce A Van Note
Commissioner

cc: David F. Rifkind
via email David.Rifkind@stinson.com



460 Commercial Street Portland, ME 04101 207-200-2400 www.maineports.com

December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: **Docket #: FD36368**

Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

The Maine Port Authority and the Town of Searsport, Maine submit this joint letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

The Maine Port Authority develops, plans, and maintains port and intermodal facilities across the state of Maine to stimulate commerce and ensure the economic prosperity of Maine, including the Port of Searsport, which the CMQ serves.

The Town of Searsport, Maine is a coastal community of 3,000 residents located on Penobscot Bay in the Gulf of Maine. Searsport has a long and rich maritime history dating back to the mid-1800's, and this seaport town was once home to ten percent of all American deep-water shipmasters. Cargo handling at the Port of Searsport, with access to the CMQ rail, continues to be a vital economic driver for the town and region.

The Maine Port Authority and Town of Searsport support the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, the Maine Port Authority and Town of Searsport strongly support the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in blue ink that reads "Jon Nass".

Jonathan T. Nass, CEO
Maine Port Authority

A handwritten signature in blue ink that reads "James Gillway".

James Gillway, Manager
Town of Searsport, Maine



December 09, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Alliance Shippers Inc. submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Alliance Shippers Inc. is an IMC that depends on reliable and sustainable rail service over the CMQR. Alliance Shippers Inc. relies on rail services for support that removes truck loads from the highway where we can offer a green solution of handling via railroad for the majority of miles transported.

Alliance Shippers Inc. supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Alliance Shippers Inc. strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Joe Nagy

A handwritten signature in cursive script that reads "Joe Nagy".



PUBLIC VERSION

CANADA

Montreal (St. Hubert) QC
888.99.AXSUN (29786)
Toronto (Oakville) ON
888.40.AXSUN (29786)

USA

Anaheim, CA Toms River, NJ
888.679.8864 888.679.8864
Chicago (Burr Ridge) IL
888.679.8864

MEXICO

Mexico City, MX
52 55 4434-4037
Queretaro, Qro
52.442.2179929, 2179189

axsungroup.com

November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

[Robert Iamothé submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR). Axsun INC is a **[SHIPPER]** that depends on reliable and sustainable rail service over the CMQR. **[we are a 3PL provider who have rail assets and use CP RAIL across their network. This acquisition opens up another market for us.**

[axsun inc supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, [axsun inc. strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

[NAME]

[Robert Iamothé]





December 11th, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Bison Transport Inc. submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Bison Transport Inc. is a partner that depends on reliable and sustainable rail service over the CMQR. Adding this additional service opens competition in a region currently served by only one Intermodal provider.

Bison Transport supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market
- Will result in more efficient, seamless rail service
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports
- Produces no competitive harms, as it is an end-to-end transaction
- Ensures continued viability of CMQR

For the above reasons, Bison Transport Inc. strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Brad Chase

Senior Vice President, Logistics and Multi Modal
Bison Transport Inc.

BISON CARES
...because we're people driven!

December 11, 2019.

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

The Canadian International Freight Forwarders Association (CIFFA) submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

CIFFA represents some 261 regular member firms from the largest of global multi-national freight forwarding firms to small and medium sized Canadian companies. Our member companies employ tens of thousands of highly skilled international trade and transportation specialists. As a vital component of Canada's global supply chain, CIFFA member companies orchestrate the movement of goods around the world.

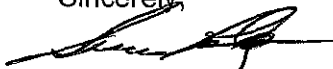
Our membership relies on reliable, sustainable rail services over the CMQR to support their customers' transportation needs in a timely and efficient manner.

CIFFA supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, CIFFA strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,



Bruce Rodgers,
Executive Director
CIFFA

CC. Cassandra Quach, Legal Counsel – Commercial, Canadian Pacific Railway
Jordan Kajfasz, AVP, Sales and Marketing, Canadian Pacific Railway

November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Caravan Supply Chain Inc, submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

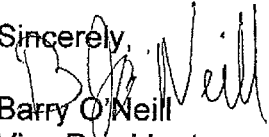
Caravan Supply Chain is a Third Party Logistics company that depends on reliable and sustainable rail service over the CMQR. Our valued clients rely on this network and its efficient operation.

Caravan Supply Chain supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Caravan Supply Chain strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,


Barry O'Neill
Vice President



December 10, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the
Central Maine & Quebec Railway - ***Docket No. FD 36368***

Dear Board Members:

Cavendish Farms submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Cavendish Farms is a shipper that depends on reliable and sustainable rail service over the CMQR. We use the service to transport our products and raw materials to our customers and our processing plants.

Cavendish Farms supports the proposed acquisition because it:
Preserves and enhances overall competition in the Northeast surface transportation market;

- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR.

For the above reasons, Cavendish Farms strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Ron Clow
General Manager





November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

C.H. Robinson submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

C.H. Robinson is a Third-Party Logistics Provider that depends on reliable and sustainable rail service over the CMQR. Our customers desire a safe, efficient, and cost-effective manner of utilizing intermodal transportation across North America and this acquisition would help provide that service.

C.H. Robinson supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, C.H. Robinson strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Phil Shook


Vice President, North America Surface Transportation
C.H. Robinson



December 12, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Chemtrade Logistics submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Chemtrade Logistics is a chemical manufacturer and shipper that depends on reliable and sustainable rail service over the CMQR. We ship various commodity chemicals, that we manufacture in here North America, to other North American based business and municipalities. Our inputs are integral in other businesses ability to produce products as well as municipalities and towns to provide clean drinking water to their communities at large.

Chemtrade Logistics supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Chemtrade Logistics strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Mark de Hueck

Mark de Hueck
Director of Supply Chain, Logistics and Customer Service
155 Gordon Baker Rd., Suite 300
Toronto, Ontario M2H 3N5
O. (647) 259 -3444
C. (647) 924 - 9178
mdehueck@chemtradelogistics.com





中远海运物流(北美)有限公司
COSCO SHIPPING Logistics (North America) Inc.

November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

COSCO Shipping Logistics North America, Inc. submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

COSCO Shipping Logistics North America, Inc. is an ocean transportation and domestic carrier that depends on reliable and sustainable rail service over the CMQR. The enhanced modification and extended reach of the CP railroad to include the CMQR open up increased market opportunities inclusive of Port St. John Canada. This modification would provide our company more extensive reach while dealing with a core "class 1" railroad. We are excited for the CP model and PSR to offer better more sustainable services that would complement the best operational railroad in Canada and the US.

COSCO Shipping Logistics North America, Inc. supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, COSCO Shipping Logistics North America, Inc. strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy E. Marsh".

Timothy E. Marsh
Executive Vice President
COSCO Shipping Logistics North America, Inc.



EXPRESS SYSTEM INTERMODAL, INC.

December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Express System Intermodal, Inc. submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Express System Intermodal, Inc. is a Shipper that depends on reliable and sustainable rail service over the CMQR.

Express System Intermodal, Inc. supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Express System Intermodal, Inc. strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in black ink that reads "Mark A D'Ascenzo".

Mark A. D'Ascenzo
Managing Director



November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Fastrate Group, submits this letter in strong support of the application filed by Soo Line Corporation (“Soo”) to acquire the Central Maine & Quebec Railway (CMQR).

Fastfrate is a ltl intermodal service provider that depends on reliable and sustainable rail service over the CMQR. CDI (division of Fastfrate) is a dedicated and drayage company which depends on rail services throughout the country.

Fastfrate supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP’s network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Fastfrate strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Manny Calandrino
President & CEO



December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Soo Line Corporation-Control-Central Maine & Quebec Railway US Inc.*
Finance Docket 36368

Dear Board Members:

GAC Chemical Corporation submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

GAC is a customer, terminal and shipper that depends on reliable and sustainable rail service over the CMQR. Our company produces chemicals in Searsport for water and waste water treatment, food and pharmaceutical, as well as other industrial applications. Our site also serves as a logistics hub for rail to truck transfer. The CMQR lines are instrumental transportation assets that our company uses to receive feedstock for our operation as well as ship our goods to market.

GAC Chemical supports the proposed acquisition because it:

- Provides a logistical benefit that would not exist if we relied solely on trucks.
- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides GAC and our customers with improved access to markets, including export markets, by connecting CP's network to the Port of Searsport;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR and rail growth at GAC.

For the above reasons, GAC Chemical strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Colter', is written over the name David Colter.

David Colter
President/CEO



IRVING CONSUMER PRODUCTS LIMITED

December 10, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the
Central Maine & Quebec Railway - ***Docket No. FD 36368***

Dear Board Members:

Irving Consumer Products Limited submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Irving Consumer Products Limited is a shipper that depends on reliable and sustainable rail service over the CMQR. We use the service to transport our products and raw materials to our customers and our manufacturing facilities.

Irving Consumer Products Limited supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR.

For the above reasons, Irving Consumer Products Limited strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Tim Baade
General Manager



December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Irving Paper, Limited submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Irving Paper is a shipper that depends on reliable and sustainable rail service over the CMQR. We are a paper manufacturer that ships rolls of paper via rail across the US.

Irving Paper supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Irving Paper strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in blue ink that reads "Mark Mosher".

Mark Mosher
Vice President – Pulp and Paper



December 10, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Reference Number: FD 36368

Dear Board Members:

J. D. Irving Limited Sawmills submit this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

J. D. Irving Limited Sawmills are a shipper of lumber products that depends on reliable and sustainable rail service over the CMQR. We ship lumber to several customers in the US and this rail service is key to maintaining the flow of our products.

We support the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides us with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, J. D. Irving Limited Sawmill Group strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

J. D. Irving Limited Sawmills Group

A handwritten signature in blue ink, appearing to read "JPelletier", is written over a horizontal line.

Jerome Pelletier
Vice President



December 13, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Docket No. 36368

Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Atlantic Wallboard Limited submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Atlantic Wallboard Limited depends on reliable and sustainable rail service to ship its wallboard products to customers in Canada and the United States.

Atlantic Wallboard Limited supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets, including to export markets, by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Atlantic Wallboard Limited strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in black ink, appearing to read "David Saucy", written over a horizontal line.

David Saucy
Vice President

CC: David F. Rifkind
James A. Therriault



PUBLIC VERSION

Keltic Transportation Inc. / Keltic Freight Services Inc.
Telephone: (506) 854-1233
Fax: (506) 854-1214
90 MacNaughton Ave.
Moncton, NB
E1H 3L9

November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Keltic Transportation submits this letter in strong support of the application filed by Soo Line Corporation (“Soo”) to acquire the Central Maine & Quebec Railway (CMQR).

Keltic Transportation is a third party provider that depends on reliable and sustainable rail service over the CMQR. We ship on behalf of our customers to and from the US and intra Canada

Keltic Transportation supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP’s network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Keltic Transportation strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Orlando Mazzuca
General Manager
Keltic Transportation Inc.





November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Maritime-Ontario Freight Lines Ltd. submits this letter in support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

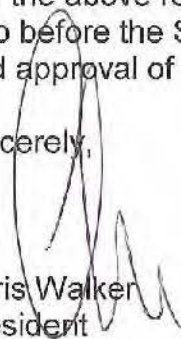
Maritime-Ontario Freight Lines Ltd. is a shipper that depends on reliable and sustainable rail service to Atlantic Canada. Maritime-Ontario is a long standing service provider of inter-modal services to the Canadian wholesale markets delivering 'Freight All Kinds' into the Atlantic Canada Region.

Maritime-Ontario Freight Lines Ltd. supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Maritime-Ontario Freight Lines Ltd. supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,



Chris Walker
President

Maritime-Ontario Freight Lines Ltd.



December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Dave Corcoran submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Nestle Canada is a shipper that depends on reliable and sustainable rail service over the CMQR. The rail is an integral part of our transportation services from Port to Customer. Ensuring competition and alternative rail services is vital in our route-to-market strategy.

Dave Corcoran supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Dave Corcoran strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Nestlé Canada Inc.

Dave Corcoran

Head of Logistics

9050 Airport Road, Suite 101
Brampton, ON

Canada, L6S 6G9
(905) 458-3628
dave.corcoran@ca.nestle.com



December 9th, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Ontario New England Express Inc DBA., ONE For Freight submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

ONE For Freight is a company located in Milton Ontario, that depends on innovative intermodal connections across CP's network as we focus on LTL modal conversion enabling Canadian & US manufacturers and distributors lower cost alternatives while reducing GHG emissions.

ONE For Freight supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and

For the above reasons, ONE For Freight strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Rick Marshall, Vice President Business Development & Managing Partner

A handwritten signature in dark ink, appearing to read "R Marshall", is written over a horizontal line.



December 6, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Soo Line Corporation-Control-Central Maine & Quebec Railway US Inc.*
Finance Docket 36368

Dear Board Members:

Pleasant River Lumber Company submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

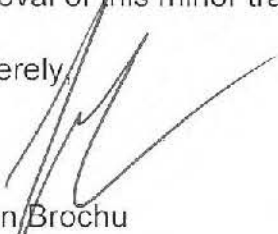
Pleasant River Lumber Company is a shipper that depends on reliable and sustainable rail service over the CMQR. Pleasant River Lumber Company is a manufacturer of Spruce/Fir Lumber and use the rails to deliver Lumber and Softwood Chips to our Customers.

Pleasant River Lumber Company supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Pleasant River Lumber strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,


Jason Brochu
Co-President

Pleasant River Lumber Company
Route 16 / 432 Milo Road
P.O. Box 68
Dover-Foxcroft, ME 04426

T: (207) 564-8520
F: (207) 564-8259



December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Purolator Inc. submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Purolator Inc. is a shipper that depends on reliable and sustainable rail service across Canada and is interested in reliable service over the CMQR to access Atlantic Canada from points in Canada in QC and west.

Purolator Inc. supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Purolator strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe Lombardo'.

Joe Lombardo
Senior Director – Freight, Transport and Fleet.
2727 Meadowpine Blvd
Mississauga, ON
L5N 0E1



December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

Routes Transport Group] submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Routes Transport Group] is a Shipper that depends on reliable and sustainable rail service over the CMQR. Tis capacity and service is required on a weekly bases Routes Transport Group supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Routes Transport Group strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

W.G. Wallace

W.G. (Bill) Wallace
Senior Vice President



11 December 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

The Shipping Federation of Canada is submitting this letter in support of the application filed by Soo Line Corporation to acquire the Central Maine & Quebec Railway (CMQR).

For your information, the Shipping Federation was incorporated by an Act of Parliament in 1903, and is the voice of the owners, operators and agents of ocean ships trading at ports across Canada, from the Atlantic to the St. Lawrence and Great Lakes to the Arctic and West Coast. We have a membership of more than 70 organizations which represent over 200 shipping companies worldwide.

Our members are extensively involved in all the international shipping markets, whether as the Canadian representatives of ships that carry major commodities such as grain, coal and forest products from Canadian ports to export markets overseas, or as the operators of container shipping lines that serve Canadian ports by delivering intermodal containers to and from the rest of the world. As such, they are highly dependent on an efficiently functioning rail network, which is a critical element of the viability of Canadian trade routes and gateways.

From a Canadian perspective, Soo Line's proposed acquisition of the CMQR network will substantially improve rail service to ports such as Saint John (New Brunswick), thereby ensuring increased competition and service through a key Canadian gateway. In more general terms, the acquisition will also help preserve and enhance competition in the U.S. Northeast surface transportation market, while ensuring more efficient and seamless rail service overall. Moreover, it will provide customers with enhanced access to markets, by, for example, connecting CP's network to Atlantic ports and the export markets they serve.

Given all of the above, we reiterate our strong support for Soo Line's application to acquire the CMQR, and we respectfully request your expedited review and approval of this transaction.

Yours truly,

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

Michael Broad
President

SHIPPING FEDERATION OF CANADA

625 René-Lévesque, Suite 800, Montreal, QC, H3B 1R2 (514-849-2325)
1055 West Hastings, Suite 300, Vancouver, BC, V6E 2E9 (778-373-1518)
www.shipfed.ca



185 International Drive
Portsmouth, New Hampshire 03801
(800) 225.1560

December 5, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: **Docket Number FD 36368**

*Application by Soo Line Corporation for STB approval to acquire the
Central Maine & Quebec Railway*

Dear Board Members:

Sprague Energy submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Sprague Energy operates at the Port of Searsport and operations at our facilities, which are designed for safe, convenient access and service, depend on reliable and sustainable rail service from the CMQR.

Sprague Energy supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Sprague Energy strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

James A. Therriault

James A. Therriault (Dec 5, 2019)

James A. Therriault
Vice President Materials Handling

Cc: David F. Rifkind
via e-mail david.rifkind@stinson.com

Tafisa Canada Inc.
4660, rue Villeneuve
Lac-Mégantic, Québec G6B 2C3
Canada

Tél. : (819) 583-2930
Fax : (819) 583-2931
www.tafisa.ca



December 5, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

TAFISA CANADA INC. submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

TAFISA is a shipper that depends on reliable and sustainable rail service over the CMQR. TAFISA operates a particleboard and melamine plant in Lac-Mégantic, QC and uses the rail service on CMQR to deliver its product to the American market.

TAFISA supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, TAFISA CANADA INC. strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Christine Couture, ing. MBA
Supply Chain Manager



November 29, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Vitran submits this letter in strong support of the application filed by Soo Line Corporation ("Soo") to acquire the Central Maine & Quebec Railway (CMQR).

Vitran is a shipper that depends on reliable and sustainable rail service over the CMQR. Vitran is a leader in LTL Intermodal service running Nationally from coast to coast over the rail.

Vitran supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP's network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Vitran strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Traikos", written in a cursive style.

Chris Traikos
President

December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway

Dear Board Members:

[Volume Freight Solutions submits this letter in strong support of the application filed by Soo Line Corporation (“Soo”) to acquire the Central Maine & Quebec Railway (CMQR).

[Volume Freight Solutions is a shipper that depends on reliable and sustainable rail service over the CMQR. We regularly ship and have been looking for better options to increase our traffic and presence. With CP’s abilities out of W. Canada, this should increase our reach and ability to increase our overall business.

Volume Freight Solutions supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP’s network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Volume Freight Solutions strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Chris Fedorchuk
President
Volume Freight Solutions

December 9, 2019

Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

RE: *Application by Soo Line Corporation for STB approval to acquire the Central Maine & Quebec Railway*

Dear Board Members:

Wellington Group of Companies submits this letter in strong support of the application filed by Soo Line Corporation (“Soo”) to acquire the Central Maine & Quebec Railway (CMQR).

Wellington Group of Companies is a shipper that depends on reliable and sustainable rail service over the CMQR.

Wellington Group of Companies supports the proposed acquisition because it:

- Preserves and enhances overall competition in the Northeast surface transportation market;
- Will result in more efficient, seamless rail service;
- Provides customers with enhanced access to markets including to export markets by connecting CP’s network to Atlantic ports;
- Produces no competitive harms, as it is an end-to-end transaction; and
- Ensures continued viability of CMQR

For the above reasons, Wellington Group of Companies strongly supports the application of Soo before the STB to acquire CMQR. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,

Derek Koza

