

RHODE ISLAND PUBLIC RAIL CORPORATION BOARD OF DIRECTORS

SPECIAL BOARD MEETING, AUGUST 31, 2009

MINUTES OF MEETING

The Rhode Island Public Rail Corporation (“RI Rail Corp” or the “Corporation”) held a duly posted special board meeting on Monday, August 31, 2009 at 4:00 p.m. at the RI Department of Transportation (“DOT”), Two Capitol Hill, Director’s Conference Room 210, Providence, RI.

This special board meeting was requested by the Rail Corp’s Executive Director, William Alves on August 27, 2009 pursuant to Rail Corp’s by-laws with notice duly posted pursuant to the Open Meetings Law.

The Notice was physically posted at the Rhode Island Department of Transportation and the Rhode Island State House.

A quorum being present, the meeting was called to order at 4:10 p.m. by Chairman Michael P. Lewis.

In attendance were:

Board Members:

Director, Rhode Island Department of Transportation (“DOT”), Michael P. Lewis, Chairman
Director, Rhode Island Department of Administration (“DOA”), Gary S. Sasse
Chairperson, Rhode Island Public Transit Authority (“RIPTA”), John Rupp, Esq.

Other representatives present on DOT or Rail Corp’s behalf:

Robert A. Shawver, P.E. (Treasurer, RI Rail Corp)
Lisa M. Martinelli, Esq. (Assistant Secretary, RI Rail Corp)
Janice M. Ward, Esq. (Deputy Chief of Legal Services, DOT)
Nancy Ricci (Legal Assistant, DOT)

Other attendees:

Armand Lusi (President, A.F. Lusi Construction, Inc.)
John Lusi (Vice President, A.F. Lusi Construction, Inc.)
Richard Langseth (Executive Director, Greenwich Bay Watershed Group)
Meredith Pickering (Rhode Island Senate Fiscal Office)
Bruce Landis (Providence Journal)

The purpose of the meeting was the election of officers, discussion of the South County Commuter Rail Agreements, and consideration and action upon a reimbursement agreement and a letter of credit.

The first order of business was to approve the minutes of the August 8, 2008 special meeting. Upon motion made by Chairman Lewis and duly seconded by Mr. Rupp, it was unanimously

- VOTED: To approve the minutes of the August 8, 2008 meeting.

The second order of business was to elect officers of RI Rail Corp for a one year term pursuant to the Corporation's by laws. Chairman Lewis outlined the Duties of the Officers as follows:

- The Executive Director must administer contracts on behalf of RI Rail Corp
- Maintain RI Rail Corp's books and records
- Submit a proposed RI Rail Corp budget
- File a written report with the Secretary of State
- The Treasurer and Executive Director may sign all checks, drafts, orders, notes and other obligations of RI Rail Corp for the payment of money, deeds, mortgages, leases, contracts, bonds, and other corporate instruments
- The Secretary will have the duties customarily appurtenant to his/her respective office, and will perform such further duties as may from time to time be assigned to them by the Board of Directors
- The officers shall be appointed for one year terms

Upon motion by Chairman Lewis, and duly seconded by Mr. Rupp, William Alves was nominated Executive Director; upon motion by Chairman Lewis and duly seconded by Mr. Rupp, Robert A. Shawver was nominated Treasurer; upon motion by Chairman Lewis and duly seconded by Mr. Rupp, Lisa M. Martinelli was nominated Secretary, it was unanimously

- VOTED: To elect William Alves as Executive Director, Robert A. Shawver as Treasurer, and Lisa M. Martinelli as Secretary.

The third order of business was discussion of the South County Commuter Rail Agreements for the expansion of commuter rail service south of Providence. Chairman Lewis stated that in August, 2008, agreements were executed with Amtrak for access to their tracks, and for construction of the Warwick Intermodal Station, scheduled for completion in 2010. Chairman Lewis stated that Amtrak requirements for liability and indemnification cannot be met by the State of Rhode Island though the Rhode Island Department of Transportation and since no such restriction as to indemnification exists on the part of RI Rail Corp, the Corporation assumed the indemnification of Amtrak by way of an Assignment and Assumption Agreement. In its January 2009 session, the

Rhode Island General Assembly authorized RI Rail Corp to obtain a \$7.5 million letter of credit to meet Amtrak's requirements.

The fourth order of business was consideration of and action upon the Reimbursement Agreement and Letter of Credit. Chairman Lewis discussed the reimbursement agreement and letter of credit obtained from Webster Bank in the amount of \$7.5 million. Upon motion made by Mr. Rupp and duly seconded by Mr. Sasse, it was unanimously

- VOTED: to approve the Reimbursement Agreement including appended Letter of Credit, and Credit Note.

Chairman Lewis then read the following resolutions:

WHEREAS, the Rhode Island Public Rail Corporation ("Rhode Island Rail") entered into that certain Assignment and Assumption Agreement with Rhode Island Department of Transportation dated August 14, 2008 (the "Assignment and Assumption Agreement") pursuant to which Rhode Island Rail is required to acquire and maintain a line of credit in the amount of \$7,500,000.00.

WHEREAS, to fulfill its obligations under the Assignment and Assumption Agreement, Rhode Island Rail has requested that Webster Bank issue a letter of credit in an aggregate principal amount of \$7,500,000.00 in favor of National Railroad Passenger Corporation ("Amtrak").

WHEREAS, in connection with the letter of credit, Rhode Island Rail has agreed to reimburse Webster Bank for any and all payments made by it to Amtrak pursuant to the letter of credit.

NOW, THEREFORE, BE IT RESOLVED:

That Rhode Island Rail be, and it hereby is, authorized to execute, acknowledge and deliver that certain Reimbursement Agreement by and between Rhode Island Rail and Webster Bank, National Association ("Bank") dated August 27, 2009 pursuant to which the Bank will issue a Letter of Credit in the aggregate principal amount of \$7,500,000.00 (the "Letter of Credit") in favor of Amtrak, the beneficiary thereof; and to execute, acknowledge and deliver a Credit Note in favor of the Bank; and to execute, acknowledge and deliver to the Bank such other agreements on such terms and conditions as the Authorized Officers of Rhode Island Rail hereinafter named, in such Authorized Officer's sole discretion, deems necessary, advisable, appropriate and in the best interest of Rhode Island Rail, as conclusively evidenced by the execution and delivery thereof.

RESOLVED: That Executive Director and Treasurer of Rhode Island Rail (each an "Authorized Officer" and collectively, the "Authorized Officers"), hereby are, and each of them acting singly hereby is, authorized and directed to take any and all other actions necessary or desirable to consummate the transaction contemplated by the foregoing

resolutions, including without limitation, to execute and deliver any and all documents, instruments or agreements on behalf of Rhode Island Rail that are requested or required by the Bank, and do and perform all such other acts and things and to pay all expenses deemed by the Authorized Officers to be necessary, desirable or advisable with respect to any matters contemplated by these resolutions in order to effectuate the intent thereof.

RESOLVED: That the Secretary of Rhode Island Rail Corp is hereby authorized to execute and deliver that certain Secretary's Certificate, to be provided to Hinckley, Allen & Snyder LLP in connection with such firm opining on the validity and enforceability of the transaction contemplated by the foregoing resolutions on behalf of Rhode Island Rail Corp.

RESOLVED: That any action taken prior to the date of this consent on behalf of Rhode Island Rail Corp by such Authorized Officers that is within the scope of the authority contemplated in the foregoing resolution be, and it hereby is, ratified, approved and confirmed in all respects.

Upon a motion to approve the previously stated Resolutions by Mr. Sasse and duly seconded by Mr. Rupp, it was unanimously

- VOTED: to approve the Resolutions.

Mr. Sasse asked for the cost of the line of credit and Mr. Shawver who was present at the open meeting indicated that it was about \$23,000.00. Chairman Lewis stated that if the cost was other than stated, the correct amount would be included in the minutes of this meeting. The corrected amount for the letter of credit is \$26,250.00 annually.

Chairman Lewis opened the meeting for public comment. Mr. Richard Langseth, Executive Director, Greenwich Bay Watershed Group, discussed the open records request that he submitted to the Rhode Island Department of Transportation. Chairman Lewis thanked Mr. Langseth for his comments.

There being no further business to come before the board, a motion was made by Mr. Sasse at 4:25 p.m. and seconded by Mr. Rupp to adjourn the meeting. The motion passed unanimously.

Respectfully submitted,

Lisa M. Martinelli, Esq.
Secretary
Rhode Island Public Rail Corporation