

**BYLAWS
OF THE
LEWISTON AND AUBURN RAILROAD COMPANY
WITH INCORPORATED SHAREHOLDERS AGREEMENT**

ARTICLE I CHARTER,

**PRINCIPAL OFFICE
REGISTERED OFFICE, CLERK AND SEAL**

Section 1. Charter. The name of this Corporation shall be the Lewiston and Auburn Railroad Company, as set forth in the Charter. References in these Bylaws to the Charter shall mean An Act to Update the Charter of the Lewiston and Auburn Railroad Company enacted by the 122nd Legislature of the State of Maine, as it may be amended from time to time by the Legislature or as provided therein. References to the Maine Business Corporation Act (the "Act") shall mean 13-C M.R.S.A. § 101 *et seq.*, as it may be amended from time to time.

Section 2. Principal Office. The location and principal office of the Corporation is and shall be in Lewiston, Androscoggin County, Maine, or at such other location as the Board of Directors may designate from time to time.

Section 3. Registered Office. The registered office shall be that office specified in the Charter or at such other address as the Clerk of the Corporation shall maintain.

Section 4. Clerk. The Clerk of the Corporation shall be a resident of the State of Maine. The Clerk need not be a Shareholder of the Corporation, and is not an Officer of the Corporation. The Clerk shall serve until his or her resignation from office or until a successor is elected by vote of the Board of Directors. The Clerk shall keep the stock transfer books and records of the meetings of the Shareholders and of the Board of Directors, and shall perform such other duties as are expressly prescribed by law. The Clerk may certify votes and actions of the Board of Directors and its committees, and may attest all documents executed on behalf of the Corporation.

The duties of the Clerk are ministerial only and the Clerk is not liable in that capacity for any liabilities of the Corporation, including, without limitation, debts, claims, taxes, fines or penalties.

Section 5. Seal. The Corporation may have a seal in such form as the Board may approve. Whenever it is inconvenient to use the corporate seal, if any, a facsimile thereof may be used. The Clerk and any Officer of the Corporation shall have authority to affix the corporate seal, if any, and it may be attested by his or her signature.

ARTICLE II

ANNUAL MEETING OF SHAREHOLDERS

Section 1. Place and Date. Annual meetings of Shareholders shall be held in the month of April at the principal office of the Corporation, unless the Board of Directors shall fix some other place within or without the State of Maine for such meetings, at such date and hour as may be fixed by the President or by the Board of Directors. At the annual meeting, the Shareholders shall elect Directors and shall transact such other business as may be brought before the meeting. If a quorum is not present, the meeting may be adjourned by the Shareholders present for a period not exceeding sixty (60) days. In case a meeting is not so held, then an election may be held at any subsequent meeting of the Shareholders at which a quorum shall be present

Section 2. Notice of the Annual Meeting. Unless otherwise prescribed by the Act or waived in the manner prescribed by the Act, written notice of the annual meeting stating the place, day and hour thereof shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either in person, by mail or other method of delivery, including electronic transmission. Notice shall be given by or at the direction of the President, the Clerk, or other persons calling the meeting, to each Shareholder of record entitled to vote at the meeting. Notice shall be effective when deposited in the United States mail with required postage, correctly addressed to the Shareholder at his, her, or its address as it appears in the records of the Corporation, or if electronically transmitted to the Shareholder, when transmitted in a manner authorized by the Shareholder. Notice of any adjourned meeting of the Shareholders shall not be required to be given, except where expressly required by law, provided that the new date, time, and place for reconvening the adjourned meeting are announced at the meeting at which an adjournment is taken. Attendance of a Shareholder at a meeting shall constitute a waiver of defective notice and call unless the Shareholder, at the beginning of the meeting, objects to holding the meeting or to transacting business and shall constitute waiver of objection to any particular matter not described in the meeting notice unless the Shareholder objects to considering the matter when it is presented.

ARTICLE III

SPECIAL MEETINGS OF SHAREHOLDERS

Section 1. Place and Date. Special meetings of Shareholders for any purpose or purposes may be held at such time and place within the State of Maine as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof

Section 2. Call. Special meetings of Shareholders, except as otherwise expressly provided, may be called by any Shareholder holding at least ten percent (10%)

of the issued capital stock of the Corporation, or by the Clerk upon written request by such a Shareholder, giving notice of the time and place of such meeting and the purpose for which it is called in the manner provided by these Bylaws.

Section 3. Notice of a Special Meeting. Unless otherwise prescribed by the Act or waived in the manner prescribed by the Act, written notice of a special meeting stating the place, day and hour thereof shall be delivered not less than three (3) nor more than sixty (60) days before the date of the meeting, either in person, by mail or other method of delivery, including electronic transmission.

Section 4. Record Date. For the purpose of determining Shareholders entitled to notice of and to vote at any meeting of Shareholders, the Board of Directors may fix in advance a "record date," which date shall not be more than sixty (60) days, nor less than ten (10) full days, prior to the date of the meeting of Shareholders. If the Board of Directors does not fix a record date for a meeting of Shareholders, the day next preceding the date on which notice of the meeting is first given to Shareholders shall be deemed to be the record date for such meeting.

ARTICLE IV

VOTING OF SHARES, PROXIES, QUORUM, AND ACTIONS BY CONSENT

Section 1. Voting Rights. Each outstanding share of stock shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders. Except as provided by statute, the Charter, Article VI of these Bylaws or any other provision of these Bylaws, any corporate action may be authorized by a majority of the votes cast at any duly authorized meeting of the Shareholders.

Section 2. Shareholder Representation. Unless represented by proxy in accordance with Section 3 of this Article or as provided in Article VI of these Bylaws, only the municipal official designated by the municipal legislative body, evidence of which designation has been placed on file with the Clerk, shall be authorized to vote the shares held by any Shareholder.

Section 3. Proxies. At all meetings of Shareholders, a Shareholder may vote the Shareholder's shares in person or by proxy. Except as provided in Article VI of these Bylaws, such proxy shall be effective when a signed appointment form is received by the Clerk of the Corporation or the inspector of the election, if one has been appointed, either before or at the time of the meeting.

Section 4. Quorum. Eighty percent (80%) of the shares of stock entitled to be cast on any matter, represented in person or by proxy, shall constitute a quorum. Once a

share is represented for any purpose at a meeting, it shall be deemed present for quorum purposes for the remainder of the meeting and any adjournment of that meeting unless a new record date is set for the adjourned meeting.

Section 5. Action by Consent. Any action required or permitted by law to be taken at any meeting of Shareholders may be taken without a meeting if unanimous written consent, bearing the date of signature and describing the action taken, is delivered to the Corporation for inclusion in the minutes or filing with the corporate records.

ARTICLE V

DIRECTORS

Section 1. Powers. Subject to any limitations set forth in the laws of the Act, the Charter, these Bylaws, the management and control of the business, property and affairs of the Corporation is vested in the Board of Directors.

Section 2. Number, Qualification, and Term. The Board of Directors shall be composed of six (6) members, all of whom shall be residents of the City of Auburn and three (3) of whom shall be residents of the City of Lewiston and three (3) of whom shall be residents of the City of Auburn and may only be adjusted by amendment to these Bylaws. The Directors shall be elected at the annual meeting of the Shareholders and shall serve for a period of three (3) years and until the next succeeding annual meeting and until his or her successor shall have been elected and qualified or until his or her earlier resignation, removal from office, death or incapacity. The elected Directors from each City shall be divided into three equal classes, whose terms of office shall expire in alternating years.

Section 3. Ex Officio Directors. In addition to the Directors elected in accordance with Section 2 of this Article V, the Assistant City Administrator for Planning and Economic Development of the City of Auburn shall serve as *ex officio* non-voting members of the Board of Directors.

Section 4. Vacancies, Resignation, and Removal. Except otherwise provided in Article VI of these Bylaws, any vacancy in the Board of Directors may be filled for the remainder of the term by appointment by the remaining Directors from the City in which the resigning or removed Director resides or resided. Directors may be removed from office in the manner prescribed by the Act. Any Director may resign by giving written notice to the Clerk. Unless otherwise specified therein, a resignation shall take effect upon receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Reimbursement for Expenses; Compensation. Irrespective of any personal interest of any of its members, the Board of Directors, by the affirmative vote of a majority of the Directors then in office, may authorize the Corporation to reimburse any Director for his or her reasonable expenses, if any, incurred in the course of attending to the business of the Corporation and, by an affirmative vote of eighty percent (80%) of the Directors then in office, may authorize the Corporation to pay reasonable compensation to the Directors for their services on behalf of the Corporation.

ARTICLE VI SHAREHOLDERS AGREEMENT

REGARDING CORPORATE GOVERNANCE

Section 1. Shareholders Agreement. This Article VI of these Bylaws shall constitute a Shareholders' agreement in accordance with Section 743 of the Act between the Shareholders of the Corporation, the City of Auburn, a municipal corporation located in Androscoggin County, State of Maine, and the City of Lewiston, a body corporate and politic located in Androscoggin County, State of Maine.

Section 2. Classes of Directors. Notwithstanding anything to the contrary contained in the Charter or Article V of these Bylaws, the members of the Board of Directors shall be divided into two classes, one from each City, as follows: (a) the first class of Directors shall be hereinafter referred to as the "Lewiston Directors" and shall be composed of six (6) Directors, all of whom shall be and shall continue to be residents of the City of Lewiston during their term of office; and (b) the second class of Directors shall be hereinafter referred to as the "Auburn Directors" and shall be composed of three (3) Directors, all of whom shall be and shall continue to be residents of the City of Auburn during their term of office.

Section 3. Term of Office. Notwithstanding anything to the contrary in the Charter or Article V of these Bylaws, each Director shall serve for a term of three (3) years and until his or her successor shall be elected and qualified. The names of the current members of the Board of Directors, the class of Directors to which each belongs, and the dates on which their respective terms of office shall expire are stated on Exhibit A, attached hereto.

Section 4. Election of Directors by Class. Notwithstanding anything to the contrary in the Charter or Article V of these Bylaws, the Lewiston Directors shall be elected by the Lewiston City Council and the Auburn Directors shall be elected by the Auburn City Council.

Section 5. Proxy Vested in the Directors. Notwithstanding anything to the contrary in Article IV, Section 3 of these Bylaws, this Agreement shall constitute an

irrevocable proxy vesting the power to vote the shares held by each City in the class of Directors representing each City during the term of this Agreement and any extension thereof. Each Shareholder's shares shall be voted in a single block as determined by the majority of the Directors comprising the class of Directors representing each Shareholder.

Section 6. Term of this Agreement. This initial term of this Agreement shall be ten (10) years, commencing on the date on which these Bylaws are adopted by the Shareholders, and shall be automatically renewed for four (4) additional terms often (10) years each, unless one Shareholder notifies the other Shareholders in writing not more than one (1) year or less than (6) months prior to the expiration of the then existing term of this Agreement that the City Council or other legislative body of the Shareholders has enacted a resolve requiring the termination of this Agreement. Upon the expiration or termination of this Agreement, this Article VI of these Bylaws shall become void and the Corporation shall be governed in accordance with the remaining provisions in these Bylaws.

Section 7. Notation on the Stock Certificates. The existence of this Agreement shall be noted on the stock certificates in accordance with Section 743(3) of the Act.

Section 8. Entire Agreement; Governing Law; Modification. The Agreement between the Shareholders contained in Article VI of these Bylaws constitutes the entire agreement of the parties with respect to its subject matter and supercedes all prior negotiations and agreements. This Agreement is governed by and shall be construed in accordance with Section 743 of the Act and the other statutory provisions referenced therein. Notwithstanding anything to the contrary in Article XVIII of these Bylaws, the Agreement contained in this Article VI may only be modified by written agreement of the Shareholders duly authorized by the City Councils or other legislative bodies of the Shareholders.

ARTICLE VII

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Annual Meeting. An annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Shareholders unless another place and time shall be fixed by written notice to all Directors. Otherwise, no notice of such meeting shall be necessary.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place within or without the State of Maine as shall be fixed from time to time by the Board. Unless otherwise specified by the Board, no notice of regular meetings shall be necessary, except as otherwise provided by the Act.

Section 3. Special Meetings, Notice. Special meetings of the Board of Directors may be called by the President or, if the President is absent or is unable to act, by any Vice President or by any Director. The person or persons calling the special meeting shall fix the time and place thereof. Notice of each special meeting of the Board of Directors shall be given by the Clerk or the person or persons calling the special meeting at least two days prior to the time fixed for the meeting and shall specify the date, time, and place thereof. Notice may be given by any usual means of communication. If mailed, such notice shall be deemed to be delivered on the third day following the date on which it was deposited in the United States mail, properly addressed, with postage prepaid. Notice given by any other means shall be deemed to be delivered when received. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of meeting, except as otherwise required by the Act or these Bylaws. The giving of notice of a special meeting of the Board of Directors by the person or persons authorized to call the same shall constitute the call thereof. Any Director may waive notice of any meeting by signing a waiver of notice, either before or after the meeting.

Section 4. Attendance as Waiver of Notice. A Director's attendance at or participation in a meeting waives any requirement of notice to that Director of the meeting unless the Director at the beginning of the meeting or promptly upon the Director's arrival objects to holding the meeting or transacting business at the meeting and thereafter does not vote for or assent to action taken at the meeting.

Section 5. Quorum and Vote Required. Except as otherwise specifically provided in the Charter, the Act, or these Bylaws, six (6) Directors, at least two (2) of whom shall be from each of the City of Auburn and the City of Lewiston, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Except as otherwise provided in the Charter or these Bylaws, the affirmative vote of a two-thirds (2/3) majority of Directors present at a meeting at which a quorum is present shall be the **act of the Board of Directors.**

Section 6. Conduct of Meetings. The President, or, in his or her absence, the Vice President, shall preside at meetings of Directors and may otherwise adopt rules governing the conduct of such meetings. At each such meeting, the Secretary, or, in his or her absence, the person designated by the President, shall keep minutes of all actions taken by the Board of Directors. Such minutes shall be filed with the Clerk as part of the corporate records, and a copy thereof shall be provided promptly to each Director.

Section 7. Action by Unanimous Written Consent. Any action required or permitted to be taken at a meeting of the Board of Directors, or of a committee of the Board, may be taken without a meeting if each Director or committee member, as the case may be, signs a consent describing the action to be taken and delivers it to the Corporation. Such consents shall be filed with the minutes of Directors' meetings or

committee meetings, as the case may be, and shall have, and may be stated by any Officer of the Corporation to have the same effect as a unanimous vote or resolution of the Board of Directors at a legal meeting thereof.

Section 8. **Participation in Meetings.** The Board of Directors may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously speak to and hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE VIII

COMMITTEES

Section 1. **Committees.** The Board of Directors may designate from among its members one or more committees, each committee to consist of two or more Directors. A committee so created may include persons who are not Directors, provided that at least *two* thirds (2/3) of the committee members are Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors. Members of the committees may be removed from office, with or without cause, by resolution adopted by the Board of Directors then in office. So far as practicable, the provisions of these Bylaws relating to the calling, noticing, and conduct of meetings of the Board of Directors shall govern the calling, noticing, and conduct of meetings of the committees.

Section 2. **Resignation.** Any member of a Committee may resign by giving written notice to the Board of Directors. Unless otherwise specified therein, a resignation shall take effect upon receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IX

OFFICERS

Section 1. **Title and Number.** The Officers shall be a President, Vice President, Treasurer, Secretary and such other Officers as may be elected by the Board of Directors. No two offices may be held by the same person.

Section 2. **When Chosen.** The Board of Directors shall elect the Officers at each annual meeting of the Board of Directors from amongst its members.

Section 3. Additional Officers. The Board of Directors may appoint other Officers and agents who shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Vacancies, Term, and Removal. The Officers of the Corporation shall hold office for a term of one (1) year and until their successors have been chosen and qualified or until their earlier death, resignation, or lawful removal. Any Officer may be removed at any time, with or without cause, by the Board of Directors. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 5. Resignation. Any Officer may resign by giving written notice to the President or Clerk. Unless otherwise specified therein, a resignation shall take effect upon receipt of such notice, and the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Powers and Duties. Except as hereinafter provided and subject to the control of the Board of Directors, each Officer shall have such powers and duties as are customarily incident to his or her office or as the Board may otherwise prescribe.

(a) President. The President shall be the chief executive Officer of the Corporation and, in the absence of a Chairman of the Board of Directors, shall preside at all meetings of the Shareholders and of the Board of Directors. Subject to the control of the Board of Directors, the President shall be responsible for the general management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors are implemented. The President, together with the Treasurer or any other proper Officer of the Corporation authorized by the Board of Directors, may sign certificates for shares of the Corporation and may execute on behalf of the Corporation any notes, bills, checks, drafts, contracts, and other obligations of the Corporation. The President, in addition to the Treasurer, may sign any deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or agent of the Corporation or shall be required by law to be otherwise signed or executed.

(b) Vice President. The Vice President, in the absence of or in the case of the disability of the President, shall perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

(c) Treasurer. The Treasurer shall see that full and accurate accounts of receipts and disbursements are kept in books belonging to the Corporation and shall see that all moneys and other valuable effects are deposited in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall see that funds of the Corporation are disbursed as may be ordered by the

Board of Directors, and shall see that the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, is rendered an accounting of all transactions and of the financial condition of the Corporation. The Treasurer may sign checks, drafts, or orders for the payment of money unless otherwise provided by resolution of the Board of Directors and, in general, shall perform all other duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors. In addition to the President, the Treasurer may sign deeds, leases, contracts, and agreements of the Corporation authorized by a vote of the Board of Directors, unless some other person is designated by vote of the Board of Directors.

(d) Secretary. The Secretary shall attend the meetings of the Board of Directors and record its proceedings. He or she may give, or cause to be given, notice of all meetings of Shareholders and Directors of the Corporation. The Secretary may certify all votes, resolutions, and actions of the Shareholders or the Board of Directors, and may attest all documents executed on behalf of the Corporation.

Section 9. Delegation of Authority. In the case of the absence of any Officer of the Board of Directors may delegate some or all of the powers or duties of an Officer to any other Officer or to any Director, employee, Shareholder, or agent for whatever period of time it deems desirable.

Section 10. Reimbursement for Expenses; Compensation. Irrespective of any personal interest of any of its members, the Board of Directors, by the affirmative vote of a majority of the Directors then in office may authorize the Corporation to reimburse any Officer for his or her reasonable expenses, if any, incurred in the course of attending to the business of the Corporation and, if authorized by the affirmative vote of eighty percent (80%) of the Directors then in office, authorize the Corporation to pay reasonable compensation to the Officers for their services on behalf of the Corporation.

Section 11. Certification by Officers. Each of the President, Vice President, the Treasurer, Secretary and the Clerk, if any, hereby is authorized to act as a second certifying Officer of the Corporation.

ARTICLE X

CONTRACTS, LOANS, CHECKS OR DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any Officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the President, the Treasurer, or such Officer or Officers or agent or agents of the Corporation and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select

ARTICLE XI

CERTIFICATES FOR SHARES

Section 1. Certificates for Shares. The Corporation may issue certificates representing its shares in such form as may be determined by the Board of Directors. Each such certificate shall be signed by any two (2) of the President, Vice President, Treasurer, Secretary or Clerk. The signatures of such Officers upon the certificate may be facsimiles if the certificate is countersigned by the Clerk or a transfer agent or is registered by a registrar, other than the Corporation itself, or one of its employees. Each certificate for a share shall be consecutively numbered or otherwise identified, and shall bear such additional legends, if any, as the Clerk shall consider appropriate to reflect applicable restrictions on transfer or ownership. The name of the person to whom the certificate shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled. No new certificates shall be issued until the former certificates for a like number of shares shall have been surrendered and canceled, except as provided by Section 2 below. If the Corporation does not issue certificates representing its shares within a reasonable time after the issue or transfer of shares without certificates, it shall send the Shareholder a written statement of the information required on certificates by the Act and by these Bylaws.

Section 2. Lost Certificates. The Board of Directors may direct a replacement or duplicate certificate for shares of this Corporation to be issued in place of any certificate previously issued by the Corporation and alleged to have been lost, destroyed, or mutilated. When authorizing such issue of a new certificate, the Board of Directors, in its discretion and as a condition precedent to the issuance thereof, may prescribe such

terms and conditions as it deems expedient, and may require such indemnities as it deems adequate, to protect the Corporation and its Officers and agents from any claim that may be made against it with respect to any such certificate alleged to have been lost, destroyed, or mutilated. The powers and duties of the Board of Directors prescribed in this Article may be delegated in whole or in part to any registrar or transfer agent.

Section 3. Classes and Series of Classes of Stock. The Corporation shall issue only one (1) class of stock and shall not issue more than one (1) series of that class.

ARTICLE XII

OWNERSHIP RESTRICTIONS, TRANSFERS, AND REGISTRATION OF SHARES

Section 1. Restriction on Ownership. No person or entity, other than a person authorized under the Charter to hold shares of stock in the Corporation, may acquire any beneficial or record ownership of any stock of the Corporation. Any purported transfer to a person or entity not so authorized shall be deemed void *ab initio*.

Section 2. Transfer Procedures. Each transfer of shares of stock of the Corporation shall be made only on the stock transfer books of the Corporation and only by the record holder thereof, or by its duly authorized attorney-in-fact, upon surrender of the certificate or certificates of such shares, properly endorsed, and the payment of any taxes thereon. The person in whose name shares of stock stand on the stock transfer books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it has notice thereof, except as required by law.

Section 3. P'estrictions on Transfer. The shares of the Corporation, whether presently or hereafter authorized and issued, shall not be transferred to a person or entity not authorized to hold such stock under the Charter. For purposes of this section, the term "transfer" means any transfer, whether outright or as security, with or without consideration, voluntary or involuntary, of all or any part of any right, title, or interest (including without limitation voting rights and rights to dividends or liquidation proceeds) in or to any shares of stock, other than a transfer of voting rights by delivery of a revocable proxy. The provisions of this Section shall be applicable to any transfer of stock of the Corporation notwithstanding any prior transfer made in compliance with this Section or any prior transfer made pursuant to any waiver of the Corporation's rights hereunder. Such stock or any beneficial interest therein held by any person subsequent to such transfers shall be subject in every respect to these restrictions. If a transferring Shareholder fails to comply with the transfer procedures and restrictions contained in

these Bylaws, then so long as such failure continues, the shares in question will be deemed not to be voted.

Section 4. Transfer Restrictions to be Shown on Stock Certificates. Each stock certificate issued shall have plainly stamped or typewritten thereon the following legend:

THE STOCK REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED TO ANY PERSON OR ENTITY OTHER THAN A MUNICIPALITY LOCATED IN THE STATE OF MAINE AND ANY PURPORTED TRANSFER OF ANY INTEREST IN THESE SHARES TO ANY PERSON OTHER THAN A MUNICIPALITY SHALL BE DEEMED TO BE VOID *AB INITIO*. The shares represented by this certificate are further subject to restrictions on transfer and the other terms and conditions of the Charter and the Bylaws of the Lewiston and Auburn Railroad Company, specifically including the Agreement between the Shareholders made pursuant to Section 743 of Title 13-C of the Maine Revised Statutes, which Agreement is contained in Article VI of the Bylaws.

Section 5. Other Rules Regarding Transfer, Etc. The Board of Directors, from time to time, may adopt by resolution such additional rules and regulations as it deems expedient, not inconsistent with these Bylaws or the Charter, concerning the issue, transfer, and registration of shares of the capital stock of the Corporation.

Section 6. Registered Shareholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, if any, and to hold the person registered on its books as the owner of shares liable for calls and assessments, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly required by law.

ARTICLE XIII

DIVIDENDS

Section 1. Dividends. Dividends upon the capital stock of the Corporation may be declared of the Board of Directors, acting in its absolute discretion, by an affirmative vote of no fewer than eighty percent (80%) of Directors then in office. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors, in its absolute discretion, determines to be proper as a reserve or reserves for meeting contingencies, for repairing or maintaining any property of the Corporation or for such other purposes as the

Board of Directors may determine to be in the best interests of the Corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

ARTICLE XIV INSPECTION

OF RECORDS

Section 1. Inspection of Records. As a condition to allowing inspection of financial records of the Corporation by a Shareholder or the provision to a Shareholder of a copy of the Corporation's financial statements, the Board of Directors, to the extent consistent with the laws of the State of Maine, may require that the Shareholder enter into a written confidentiality agreement with the Corporation pursuant to which the Shareholder agrees (i) to keep confidential all financial information provided by the Corporation; (ii) not to disclose any such information to third parties or the public without the express prior written consent of the Corporation; and (iii) not to use, directly or indirectly, any information provided in order to compete with the Corporation or for any other purpose not in the best interests of the Corporation. The Corporation may withhold disclosure of financial information from a Shareholder until such an agreement, if

ARTICLE XV INDEMNIFICATION OF OFFICERS,

DIRECTORS, EMPLOYEES AND AGENTS; INSURANCE

Section 1. General. Subject to Section 4 of this Article, the Corporation in all cases shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, by reason of the fact that he or she is or was a Director, Officer or Committee Member, is or was serving at the request of the Corporation as a Director, Officer or Committee Member, partner, trustee, employee or agent of another domestic or foreign corporation, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement to the extent actually and reasonably incurred by that person in connection with such action, suit or proceeding; provided that the person to be indemnified acted in good faith and did not reasonably believe (i) in the case of conduct in the individual's capacity as a Director or Officer, that his or her conduct was not in the best interests of the Corporation; (ii) in all other cases, that his or her conduct was not opposed to the best interests of the Corporation; and (iii) in the case of any criminal action or proceeding, that his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo

contendere or its equivalent is not of itself determinative that the Director did not meet the relevant standard of conduct described in this section.

Section 2. Indemnification Prohibited. Unless ordered by a court of competent jurisdiction pursuant to § 855 of the Act, the Corporation may not indemnify one of its Directors (i) in connection with a proceeding by or in the right of the Corporation, except for reasonable expenses incurred in connection with the proceeding, if it is determined that the Director or Officer has not met the relevant standard of conduct under Section 1 of this Article; or (ii) in connection with any proceeding with respect to conduct for which the Director or Officer was adjudged liable on the basis that he or she received a financial benefit to which he or she was not entitled, whether or not involving action in the Director's official capacity.

Section 3. Mandatory Indemnification in Certain Cases. Any provisions of these Bylaws to the contrary notwithstanding, the Corporation shall indemnify a Director, Officer or Committee Member who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Director, Officer or Committee Member was a party because he or she was a Director, Officer or Committee Member of the Corporation against reasonable expenses, including attorneys' fees, incurred by him or her in connection with the proceeding. The right to indemnification granted by this subsection may be enforced by a separate action against the Corporation, if an order for indemnification is not entered by a court in the action, suit, or proceeding wherein that Director, Officer or Committee Member was successful on the merits or otherwise.

Section 4. Determination in Specific Cases. Any indemnification under Section 1 shall be made by the Corporation only as authorized in the specific case upon a determination that Indemnification of the Director, Officer or Committee Member is consistent with the terms of this Article and the Act. Such determination shall be made as follows:

- A. if there are two or more disinterested Directors, the Board of Directors by a majority vote of all the disinterested Directors, a majority of whom for this purpose constitutes a quorum, or by a majority of the members of a committee of two or more disinterested Directors appointed by a majority vote of all the disinterested Directors;
- B. by special legal counsel:
 - (1) selected in the manner prescribed in Paragraph A; or
 - (2) if there are fewer than two disinterested Directors, selected by the Board of Directors in which selection Directors who did not qualify as disinterested Directors may participate; or

C. by the Shareholders, but shares owned by or voted under the control of a Director or Officer who at the time does not qualify as disinterested may not be voted with respect to the determination.

Section 5. Advancement of Expenses. The Corporation, before final disposition of a proceeding, may advance funds to pay for or reimburse the reasonable expenses incurred by a Director or Officer who is a party to a proceeding because the person is a Director, Officer or Committee Member of the Corporation if the Director, Officer or Committee Member delivers to the Corporation:

A. a written affirmation of the Director's, Officer's or Committee Member's good faith belief that he or she has met the relevant standard of conduct described in Section 1 of this Article or that the proceeding involves conduct for which liability has been eliminated under a provision of the Corporation's Charter as permitted under the Act;

and

B. a written undertaking by the Director, Officer or Committee Member to repay any funds advanced if the Director, Officer or Committee Member is not entitled to mandatory indemnification under Section 3 of this Article and it is ultimately determined that the Director or Officer has not met the relevant standard of conduct set forth in Section 1.

The undertaking required by Paragraph B shall be an unlimited general obligation of the person seeking the advance, but need not be secured and may be accepted without reference to financial ability to make the repayment.

Section 6. Indemnification Rights Not Exclusive; Enforceable by Separate Action. The indemnification and entitlement to advances of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Act or pursuant to the provisions of the Charter, vote of Shareholders or Directors, or otherwise. Any right of indemnity or payment arising under this Article shall continue as to a person who has ceased to hold the office or position in which such right arose; shall inure to the benefit of his or her heirs, executors, and administrators; and shall survive any subsequent amendment of this Article. A right to indemnification required by this Article may be enforced by a separate action against the Corporation, if an order for indemnification has not been entered by a court in any action, suit or proceeding in respect to which indemnification is sought.

Section 7. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer or Committee Member or is or was serving at the request of the Corporation as a Director, Officer or Committee Member, trustee, partner, fiduciary, employee, or agent of another corporation, partnership, joint venture, trust, pension, or other employee benefit plan or other enterprise against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under this section.

Section 8. Miscellaneous. For purposes of this Article, references to the "Corporation" shall include, in addition to the surviving corporation or new corporation, any participating corporation in a consolidation, merger, domestication, or conversion.

Section 9. Immunity Under Maine Tort Claims Act. Nothing herein is intended to constitute a voluntary waiver of any immunity provided to the Corporation, its Directors, Officers or Committee Members, or of any agent or employee of the Corporation under the terms of the Maine Tort Claims Act.

Section 10. Amendment. Any amendment, modification, or repeal of this Article shall not deny, diminish, or otherwise limit the rights of any person to indemnification or advance hereunder with respect to any action, suit, or proceeding arising out of any conduct, act or omission occurring or allegedly occurring at any time prior to the date of such amendment, modification, or repeal.

ARTICLE XVI

FISCAL YEAR, ANNUAL AUDIT

Section 1. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of July of each year and end on the last day of June of the following year unless otherwise fixed by resolution of the Board of Directors.

Section 2. Annual Audit. The Directors shall cause the books of the Corporation to be audited by a certified public accounting firm each year, provided however, that the Board of Directors may waive this requirement by the affirmative vote of no fewer than eighty percent (80%) of the Directors then in office.

ARTICLE XVII

MISCELLANEOUS

Section 1. Section Headings. The headings of Articles and Sections set forth herein are for convenience only, and shall not be taken into account in construing these Bylaws.

Section 2. Facsimile Signatures. Facsimile signatures of any Officer or member of the Board of Directors of the Corporation may be used whenever authorized by the Board or the President. The Corporation may rely upon the facsimile signature of any person if delivered by or on behalf of such person in a manner evidencing an intention to permit such reliance.

Section 3. Interpretation. Headings and captions used herein are inserted for convenience only and shall not be used to construe the scope or content of any provision. Whenever used herein, the masculine gender shall include the feminine and neuter genders, as the context requires. In the case of any conflict between the provisions of the Charter and these Bylaws, the Charter shall control.

Section 4. Validity. If any portion of these Bylaws is determined to be invalid or unenforceable under law, it shall not affect the validity or enforceability of the remaining portions thereof.

ARTICLE XVIII

AMENDMENTS

Section 1. Amendments. Except as provided in Article VI of these Bylaws, these Bylaws may be amended or repealed, and new ones may be adopted, only by vote of the shareholders representing a majority of the issued and outstanding shares. For any meeting at which Bylaws are to be adopted, amended, or repealed, specific notice of such proposed action shall be given to the Shareholders no less than thirty (30) days prior to the meeting, setting out the text of the proposed new or amended Bylaw or Bylaw to be repealed.