

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35752

GRAFTON & UPTON RAILROAD COMPANY --
PETITION FOR DECLARATORY ORDER

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September 9, 2013
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Public Record

**SUPPLEMENT TO PETITION OF GRAFTON & UPTON
RAILROAD COMPANY FOR DECLARATORY ORDER**

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Attorneys for Grafton &
Upton Railroad Co.

Dated: September 9, 2013

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SURFACE TRANSPORTATION BOARD

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On July 24, 2013, Grafton & Upton Railroad Co. ("G&U") filed a Petition for Declaratory Order (the "Petition") requesting the Board to clarify that State and local permitting and preclearance statutes and regulations are preempted pursuant to 49 U.S.C. 10501 in connection with the transloading of liquefied petroleum gas ("propane") from rail cars to trucks at G&U's yard in the Town of Grafton, Massachusetts (the "Town" or "Grafton"). G&U is filing this Supplement to the Petition in order to provide certain new information and agreements executed after the filing of the Petition, as described more fully below, and to comment briefly on replies filed on behalf of the Town and the Massachusetts Department of Fire Services.

SUPPLEMENTAL INFORMATION

I. The Propane Companies are No Longer Involved.

As described in the Petition, G&U originally planned to finance, construct and operate the transloading facility with certain assistance from Spicer Plus, LLC ("Spicer Plus") and NGL Supply Terminals Co. ("NGL"), both of which are involved in the propane business, and 3 new companies formed as jointly owned subsidiaries of Spicer

and NGL (collectively, Spicer Plus, NGL, the 3 new companies and any of their affiliates are referred to as the "Propane Companies"). On July 15, 2013, however, G&U terminated the agreements with the Propane Companies, with their consent, and commenced discussions with the Propane Companies to purchase the tanks and other equipment necessary to enable G&U to construct the transloading facility. Petition at 12-13. G&U concluded that it would have the ability on its own, without the involvement of the Propane Companies, to construct and operate the facility.

The discussions with the Propane Companies have now resulted in the execution of an Equipment Purchase Agreement, Assignment of Contracts & Termination Agreement dated as of August 14, 2013 (the "Termination Agreement"), a copy of which is attached hereto as Exhibit 1. In accordance with the Termination Agreement, title to the tanks and other equipment has been transferred to G&U pursuant to a Bill of Sale dated August 14, 2013, a copy of which is attached as Exhibit A to the Termination Agreement. The tanks are being stored by G&U in Fall River, Massachusetts pursuant to a license agreement between G&U and the City of Fall River, a copy of which (together with G&U's check in the amount of \$12,000 for one year's rent) is attached as Exhibit 2. In consideration the equipment, G&U issued an Equipment Note dated August 14, 2013, a copy of which is attached as Exhibit C to the Termination Agreement, and executed a Security Agreement, a copy of which is attached as Exhibit D to the Termination Agreement. In addition, 3 contracts relating to the construction of the facility, including the contract with LPG Ventures, Inc., the principal builder of the facility, have been assigned to G&U. The 3 contracts are attached as Exhibit B to the Termination Agreement.

The negotiation and implementation of these agreements confirm the fact, as stated by G&U in the Petition, that the Propane Companies no longer have any involvement whatsoever in the construction or operation of the transloading facility. Further rebutting the contention of the Town that the Board had before it only the "representations" of G&U, the Board now has additional agreements between G&U and the Propane Companies that conclusively confirm that the Propane Companies are no longer involved. Indeed, Section 8 of the Termination Agreement provides not only that the prior agreements "are hereby terminated and of no further force and effect", but also recognizes "that there are no other agreements of any type or kind, either in writing or oral and that the Railroad is free to complete the construction of and to operate the LPG Transfer Facility on its own as it may choose to do so in its sole determination without the participation of the [Propane Companies]."

Notwithstanding the termination letters, the Town implied in its Reply that NGL and Spicer Plus may still have some role to play. While recognizing that NGL and Spicer Plus were the owners of the 3 entities that actually entered into the operative agreements with G&U, and were not parties to the terminated agreements, the Town nonetheless seizes on the term "Propane Companies", which was defined in the Petition to refer only to the 3 entities that were signatories to the agreements, thereby permitting the possibility, according to the Town, that NGL or Spicer Plus may still have some involvement.¹

Any credence that might have been attributed to this notion has been thoroughly rebutted by the implementation of the terms and conditions of the Termination

¹ G&U acknowledges that the term "Propane Companies", as used in the Petition, should have been more broadly defined to include NGL and Spicer Plus, as the term was correctly defined to include them in Mr. Delli Priscoli's Verified Statements (¶ 10).

Agreement, including the fact that G&U has purchased and has possession of the tanks and equipment and has taken an assignment of the construction contracts. Neither Spicer Plus nor NGL was a signatory to any of the 3 terminated agreements, and they were mentioned only as guarantors of certain obligations under the transportation contract, which was one of the 3 agreements. With the termination of the transportation contract, any involvement by NGL or Spicer Plus in the construction or operation of the transloading facility conclusively ended.² There can be no doubt, therefore, concerning the veracity and credibility of G&U's representation that Spicer Plus, NGL, the 3 subsidiaries that entered into the agreements with G&U or any other company in the propane business will not be involved in the G&U transloading facility.

II. The G&U Plan for Construction and Operation is Feasible.

In its Reply, the Town questioned whether G&U will actually have the ability to finance the project or to operate the transloading yard without the support or involvement of the Propane Companies. G&U described in the Petition and the Verified Statement of Jon Delli Priscoli (¶¶ 19-20) how circumstances had changed and how it would finance the project. As a result of discussions subsequent to the filing of the Petition, LPG Ventures has agreed with G&U to complete the construction pursuant to the original contract, which has been assigned to G&U. In addition, G&U explained its belief that it could hire and train employees to operate the facility, rather than rely on a subcontractor.

² The Town contends that G&U did not comply with an alleged discovery order of the federal court to produce a letter of intent dated April 6, 2012. There was no such discovery order, and G&U discharged its production responsibilities in good faith and in compliance with evidentiary requirements. The letter of intent, which is attached hereto as Exhibit 3, was simply an "agreement to agree" and not a binding contract under Massachusetts law (Schwanbeck v. Federal-Mogul Corp., 412 Mass. 703 (1992)), and, even if it was binding, was superseded by the 3 agreements and then terminated by the termination letters and the Termination Agreement.

G&U also noted the communications from propane suppliers and dealers indicating an interest in using the transloading facility.

While G&U is confident that it has the ability on its own to construct and successfully operate the transloading facility, G&U recognizes that it alone bears the risk that its belief in the commercial feasibility of the project may not be fulfilled. If G&U cannot finance the construction, hire employees with the appropriate experience or generate sufficient business to sustain the operation of the facility, G&U alone will bear the consequences. More to the point for purposes of this proceeding, whether the project as conceived by G&U is commercially feasible is not an issue before the Board as it considers the Petition. Rather, the only question is whether the facility, as it is proposed to be constructed and operated, is subject to the preclearance or preapproval requirements of State or local law. For all of the reasons set forth in the Petition, any such requirements are preempted.

III. The Transloading Facility Will Meet Applicable Safety Requirements.

In its Reply (pp. 6-7), the Town has suggested that the transloading facility might not be in compliance with fire safety regulations. The Reply filed on behalf of the Department of Fire Safety presents a reasoned statement recognizing the preemption of permitting or preclearance requirements but, at the same time, noting the right to enforce codes in order to promote public health and safety so long as the regulations are "settled and defined, can be obeyed with reasonable certainty, entail no extended or open ended delays, and can be approved or rejected without exercise of discretion on subjective questions. Green Mountain Railroad Corp. v. Vermont, 404 F.3d 638, 643 (2d Cir. 2005)." Department of Fire Services Reply at p. 2.

While G&U has consistently maintained that preemption eliminates the need for permitting or preclearance, G&U has also unwaveringly stated its intention to construct and operate a facility that would be in strict compliance with applicable safety regulations, especially including fire safety codes. To the extent there are any details of the construction plans or fire safety plan that may be unresolved, it has been due primarily to the decision of the Town and the Fire Marshal to discontinue conversations in December 2012 when the Town issued its cease and desist order and went to court. G&U looks forward to completing the discussions with the Town and the State Fire Marshal in order to provide them with complete and final plans of the facility, to discuss any feedback from them and to address any safety issues that may remain.

IV. G&U Will Continue to Provide Information to the Town.

Finally, the Town has belabored its contention that G&U did not adequately disclose its intentions or plans with respect to the transloading facility. G&U vigorously disagrees, as described in the Petition (pp. 8-10).³

Whether the Town agrees that G&U previously provided sufficient information, however, is for all intents and purposes irrelevant at this time. The Town now certainly understands the plan in sufficient detail. G&U has been and continues to be entirely

³ In addition to the facts recited in the Petition, which refute the Town's argument, two additional points, which were confirmed by the replies of the Town and the Department of Fire Services, are noteworthy. First, the State Fire Marshal acknowledges that a representative of his office was at a meeting with the Fire Chief of Grafton to discuss the transloading facility in June 2011, or a year and a half prior to the Town's cease-and-desist order in December 2012. Second, the statement in the Affidavit of Tim McNerney, the Grafton Town Administrator, which was submitted as Attachment A to the Town's Reply, to the effect that at a meeting in July 2012 Mr. Delli Priscoli "made an offhand comment about a tank" and did not "make known to me that he was planning to site a massive propane operation at that location", is contradicted by the statement of the Grafton Police Chief, who also attended the meeting, that "Mr. Delli Priscoli also briefly discussed his intentions for the construction of a propane storage facility on G&U RR property located at 42 Westborough Road." See Exhibit A attached to the Verified Statement of Jon Delli Priscoli. Given the Town's adamant opposition to the transloading facility, even an "offhand comment" to Mr. McNerney, who was not called by the Town to testify in the federal court hearings, should presumably have precipitated significant further inquiry by the Town at that time if Town officials had any questions.

willing to make available to the Town and its advisors any additional details that G&U has or the Town may request. Unfortunately, the Town continues to have a negative view of the project and seems to be more interested in pursuing alleged violations of its permitting requirements rather than engaging in a dialogue to address safety plans relating to the construction and operation of the transloading facility. The Town's position at this time seems to be exemplified by the repeated comments in its Reply asserting that G&U lacks veracity and credibility, rather than directed toward addressing the substantive issues relating to the construction and operation of the facility. Nonetheless, G&U remains ready, willing and able to resume the discussions so that the Town and other regulatory agencies can be satisfied concerning the public health and safety of the transloading facility.

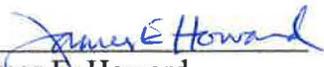
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CONCLUSION

G&U respectfully urges the Board to reach a prompt decision that preemption applies to the construction and operation of the propane transloading facility in Grafton. The Board now has a record that is without question sufficient to support a determination that state and local preclearance, zoning or permitting regulations are preempted.

Respectfully submitted,

GRAFTON & UPTON
RAILROAD CO.


James E. Howard
70 Rancho Road
Carmel Valley, CA 93924
831-659-4112

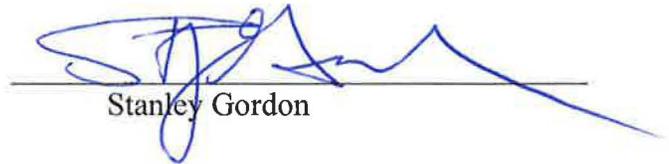
Linda J. Morgan
Nossaman, LLP
1666 K Street, N.W.
Suite 500
Washington, DC 20006
202-887-1400

Dated: September 9, 2013

VERIFICATION

I, Stanley Gordon, Vice President of Grafton & Upton Railroad Company, verify under penalty of perjury that the facts set forth in the foregoing Supplement to Petition for Declaratory Order are true and correct. Further, I certify that I am qualified and authorized to verify the foregoing document and cause it to be filed.

Executed on September 10th, 2013.



Stanley Gordon

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing Supplement to Petition for Declaratory Order to be served by sending copies by e-mail on September 9, 2013 to all parties on the service list.

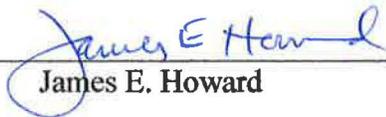

James E. Howard

EXHIBIT 1

**EQUIPMENT PURCHASE AGREEMENT
ASSIGNMENT OF CONTRACTS
&
TERMINATION AGREEMENT**

This Agreement, made as of this 14th day of August, 2013 (hereinafter referred to as the "Equipment Purchase Agreement"), by and between GRT Financing LLC, of 12 Roosevelt Ave., Mystic, CT 06355 (hereinafter referred to as "GRT") and All American Transloading, LLC of 42 Westborough Rd., North Grafton, MA 01536 (hereinafter referred to as "All American") and Patriot Gas Supply, LLC of 14 Indian Rock Lane, Greenwich, CT 06830 (hereinafter referred to as "Patriot") and the Grafton & Upton Railroad Company, a Massachusetts corporation having a usual place of business at 929 Boston Post Road, Marlborough, MA 01752 (hereinafter the "Railroad").

RECITALS

A. The Railroad had decided to develop and construct a transfer facility for the transloading of liquefied petroleum gas ("LPG") at the Railroad's rail yard in North Grafton, MA (hereinafter referred to as the "LPG Transfer Facility").

B. The Railroad and GRT, All American and Patriot entered into a Financing, Development And Construction Agreement as of November 5, 2012 (hereinafter referred to as "FDC Agreement") whereby GRT was obligated to finance and to facilitate certain aspects of the construction of the LPG Transfer Facility, including the leasing to the Railroad of four (4) 80,000 gallon LP tanks, a rail tower piping system, tank headers, piping, pumps, compressors, water suppression system and all related equipment and structures thereto determined to be necessary to construct and operate the LPG Transfer Facility (hereinafter referred to as the "LPG Equipment")

C. The Railroad and All American entered into a Terminal Transloading Agreement as of October 1, 2012 (hereinafter referred to as "Transloading Agreement") whereby All American was to act as the contractor for the Railroad to provide transload services of LPG for the Railroad at the LPG Transfer Facility when the LPG Transfer Facility was completed and became operational.

D. The Railroad and Patriot entered into a Confidential Rail Transportation Agreement dated as of October 1, 2012 (hereinafter referred to as "Rail Transportation Contract") whereby Patriot gave the Railroad a minimum volume commitment of rail cars of LPG when the LPG Transfer Facility was completed and became operational.

E. The aforesaid FDC Agreement, Transloading Agreement and Rail Transportation Agreement are hereby collectively referred to as the "LPG Agreements" and GRT, All American and Patriot are hereby collectively referred to as the "LPG Interests").

F. The LPG Agreements were entered into with the Railroad by the LPG Interests with the expectation that the Railroad would have its LPG Transfer Facility open and operational in the summer of 2013.

G. With the May 17, 2013 decision in the US District Court District of Massachusetts Civil Action NO. 12-cv-40164-TSH, it is apparent that the Town of Grafton will continue to challenge the Railroads' ability to open and operate its' LPG Transfer Facility and that the date when the Railroad is likely to receive a decision granting it the authority to operate its' LPG Transfer Facility remains unknown.

H. The Railroad terminated the LPG Agreements by Notices of Termination to the LPG Interests effective July 17, 2013 attached hereto as Exhibit E and the LPG Interests have decided to accept and agree to the termination all of the LPG Agreements and to transfer title to all of the LPG Equipment along with an assignment of all existing contracts required to complete the LPG Transfer Facility to the Railroad and the Railroad has agreed to take title to the LPG Equipment along with an Assignment of Contracts required to complete the LPG Transfer Facility.

NOW THEREFORE, in consideration of One (\$1.00) Dollar and other valuable consideration, the receipt of which is hereby acknowledged as having been delivered and accepted, the undersigned hereby agree and covenant as follows:

AGREEMENTS

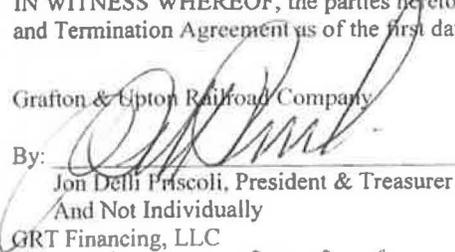
1. Ownership of Equipment. GRT, the owner of the LPG Equipment, hereby transfers title of the LPG Equipment to the Railroad pursuant to the terms and conditions of the Bill of Sale attached hereto as Exhibit A, which Bill of Sale describes, itemizes and lists the individual and total cost(s) of the LPG Equipment.
2. Assignment of Contracts. GRT, hereby assigns to the Railroad the contracts that are itemized on Exhibit B and the Railroad accepts the outstanding liabilities thereunder totaling \$269,954.00 and all other obligations set forth in the contracts.
3. Payment. The Railroad agrees to pay GRT for the LPG equipment pursuant to the terms and conditions of the Equipment Note attached hereto as Exhibit C (the "Equipment Note"). The Equipment Note states in part that: (a) the indebtedness hereunder shall become due and payable on the earliest of ninety (90) days after the issuance of a final decision on terms and conditions reasonably acceptable to the Railroad finding that the the legal right of federal preemption applies for the Railroad to construct and operate the LPG Transfer Facility intended to be constructed and operated under the FDC Agreement, by either of the Surface Transportation Board ("STB") and/or any court of competent jurisdiction and the expiration of any and all applicable appeal periods, or the 90th day after the Railroad begins propane transloading operations by utilizing any portion of the LPG Equipment at the permanent LPG Transfer Facility in Grafton, but in no event, later than June 30, 2015 and (b) that the obligations thereunder are without recourse to the Railroad and that GRT will look solely to the LPG Equipment in the event of any default by the Railroad.
4. Security. The Railroad shall give GRT a first security interest in the LPG Equipment pursuant to the terms and conditions of the Security Agreement attached hereto as Exhibit D.

5. Indemnification. GRT hereby warrants that it has 100% unencumbered ownership of the LPG Equipment, including the legal right to transfer title of the same to the Railroad and that the GRT shall indemnify and hold the Railroad harmless from and against any and all claims, actions, liabilities, losses or damages, including reasonable attorneys' fees related to, arising out of or incurred prior to or in conjunction with the transfer of ownership of the LPG Equipment to the Railroad.
6. Railroad's Liability. The Railroad shall have no liability for any loss or damage resulting from the ownership of the Equipment by GRT and all responsibility for any and all loss or damage resulting from the ownership and operation, possession, transportation, movement and use of the Equipment prior to the date of the Bill of Sale effectuating this transfer, including all contracts relating thereto, shall be the sole and complete responsibility of GRT, other than due to the negligence or the intentional wrongful act of the Railroad.
7. Taxes. GRT has paid or shall pay all assessments and taxes including personal property taxes, sales taxes which may now or hereafter be imposed upon the ownership, possession or use of the LPG Equipment prior to the date of the Bill of Sale. The Railroad has responsibility for taxes and insurance after the date of transfer of the LPG Equipment as further enumerated in the Security Agreement of even date
8. Termination of the LPG Agreements. The LPG Interests and the Railroad hereby agree and covenant that the LPG Agreements are hereby terminated and of no further force and effect, that there are no other agreements of any type or kind, either in writing or oral and that the Railroad is free to complete the construction of and to operate the LPG Transfer Facility on its own as it may choose to do so in its sole determination without the participation of the LPG Interests
9. Further Assurances. The Railroad and the LPG Interests shall perform all further acts and execute and deliver to each other, upon request, such instruments, assurances and other documents as each deems necessary or advisable to carry out the terms of this Equipment Purchase Agreement.
10. Notices. All notices relating hereto to be delivered by the parties shall be mailed by certified or registered mail to the address designated by the Railroad and the LPG Interests in writing.
11. Agreements. This Agreement and the Equipment Note and the Security Agreement are the entire agreement by and between the parties relating to the subject matter hereof and only be modified by written addendum and there are no other agreements of any type or kind, either in writing or oral by and between the parties. All terms and conditions and covenants herewith shall survive the expiration or other termination of this Restated Equipment Agreement. Any provision of this agreement which is unenforceable shall not invalidate the remaining provisions. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect. The Agreement shall be construed in accordance with, and shall be governed by, the laws of the Commonwealth of Massachusetts,

12. Disclaimer of Warranties. RAILROAD ACKNOWLEDGES THAT IT ACCEPTS THE EQUIPMENT "AS IS" AND AGREES THAT THE LPG INTERESTS HAVE NOT MADE AND DO NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO THE CONDITION, QUALITY, DURABILITY, CAPABILITY OR SUITABILITY OF THE EQUIPMENT OR AGAINST ANY PATENT OR LATENT DEFECTS THEREIN. LPG INTERESTS WILL AND HAVE ASSIGNED TO RAILROAD ANY AND ALL WARRANTIES AND SERVICE CONTRACTS RELATING TO THE LPG EQUIPMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Equipment Purchase Agreement and Termination Agreement as of the first date written above.

Grafton & Epton Railroad Company

By: 

Jon Dell Priscoli, President & Treasurer
And Not Individually

GRT Financing, LLC

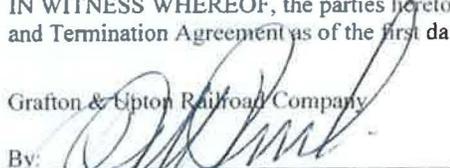
By:

Lawrence C. Cherkov, Manager
GRT Financing, LLC

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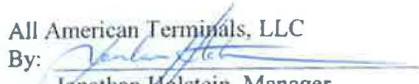
IN WITNESS WHEREOF, the parties hereto have executed this Equipment Purchase Agreement and Termination Agreement as of the first date written above.

Grafton & Bpton Railroad Company

By: 
Jon Delli Priscoli, President & Treasurer
And Not Individually
GRT Financing, LLC

By: 
Lawrence C. Chesler, Manager
And Not Individually

All American Terminals, LLC

By: 
Jonathan Holstein, Manager
And Not Individually

Patriot Gas Supply, LLC

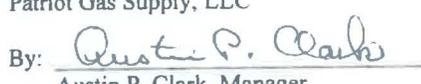
By: 
Austin P. Clark, Manager
And Not Individually

EXHIBIT A

BILL OF SALE

This Bill of Sale (this "Bill of Sale"), dated August 14, 2013, by and between GRT Financing, LLC, a Delaware limited liability company ("Seller") and Grafton & Upton Railroad Company, a Massachusetts corporation ("Buyer").

Reference is hereby made to that certain Equipment Purchase Agreement & Termination Agreement, dated as of August 14, 2013 (the "Equipment Purchase Agreement"), by and between Seller and Buyer. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Equipment Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound hereby, Seller does hereby sell, assign, transfer, convey, and deliver to Buyer, all of Seller's right, title and interest in and to the Equipment described in Schedule 1 attached hereto (the "LPG Equipment"), free and clear of all liens, mortgages, pledges, security interests and other encumbrances of any kind;

TO HAVE AND TO HOLD the LPG Equipment unto Buyer, its successors and permitted assigns, for its and their own use and benefit, forever.

The Seller hereby warrants, represents and covenants that it is the lawful owner of and has good and valid title to the Purchased Equipment, free and clear of all liens, mortgages, security interests, pledges and other encumbrances; and that it will defend the LPG Equipment against the lawful claims and demands of all persons.

This Bill of Sale shall be binding upon and inure to the benefit of Buyer, its successors and permitted assigns.

Nothing in this Bill of Sale, express or implied, is intended or shall be construed to confer upon or give to any Person, other than Buyer, its successors and permitted assigns, any remedy or claim under or by reason of this instrument or any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises and agreements in this Bill of Sale shall be for the sole and exclusive benefit of Buyer, its successors and permitted assigns.

Seller shall, from time to time after the delivery of this Bill of Sale, at Buyer's request and without further consideration (other than the reimbursement of costs and expenses reasonably incurred by Seller), do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, conveyances, transfers, assignments, powers of attorney and assurances as Buyer may reasonably require more effectively to sell, assign, transfer, convey, and deliver to Buyer the LPG Equipment or to carry into effect the intent and purposes of this Bill of Sale.

This Bill of Sale shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without giving effect to conflicts of law principles) as to all matters, including validity, construction, effect, performance and remedies.

IN WITNESS WHEREOF, Seller and Buyer have caused this Bill of Sale to be duly executed by their respective authorized officers as of the day and year first above written.

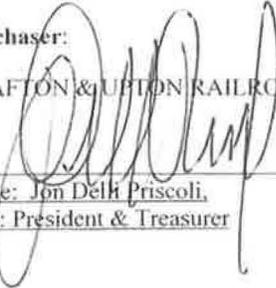
Seller:

GRT FINANCING, LLC

By: 
Name: Larry Chesler Title: Manager

Purchaser:

GRAFTON & UPTON RAILROAD COMPANY

By: 
Name: Jon Delk Priscoli
Title: President & Treasurer

Stock code	Description	Quantity
131"	131" x 8'-0" Pre-cast pier	8.00
Freight	Pier Freight to Grafton MA	4.00
Freight		2 4.00
Outside Services	Crane Rental	1.00

TANKS - Located in Fall River 4 - 80,000 Capacity Tanks

ACF-Industries	Vessel # 44-62066-1	1.00
ACF-Industries	Vessel # 44-62066-2	1.00
ACF-Industries	Vessel # 44-62131-1	1.00
ACF-Industries	Vessel # 44-62131-2	1.00

TANK TRIM—TANK TRIM—TANK TRIM—

Outside Services	Code Work Engineering	1.00
Outside Services	Inspections	4.00
SF4300-MOD	4" 300# Studded Flnge Modified	8.00
RS101	3" relief valve stack	32.00
C6342-11-130	Magnetel level gauge 130"	4.00
TH100	Thermometer 6"	4.00
A2805C	3/4" Combination valve	4.00
GAR175	Garlock 18" 300# gasket	4.00
BK-100x6	1" x 6" Stud w/nut	96.00
C427-24-400	Fisher 3" 400gpm Intern Valve	8.00
C404A-32	Fisher 4" Internal Valve w/Act	8.00
A8574G	4" Relief Valve Manifold	8.00
WN600	6" 300# WN flange, sch 40 bore	8.00
BK4300	4" 300# Bolt Kit	28.00

COLD VAPOR TANK TO HEADER LINE

NI300xWN	3" x WN nipple	1.00
WN3300-3	3"-300# WN flnge, 40# bore	16.00
BF3300	3" 300# Butterfly Valve	4.00
EW300	3" sch 40 butt weld elbow	8.00
FLX300-18	3" x 18" flex connector	4.00
PIPE300-40	3" sch 40 pipe	84.00
BK3300	3"-300# Bolt kit	28.00
GAR135	Garlock gasket, 3" - 300#	28.00
NI300xWN	3" x WN nipple	1.00
WN3300-3	3"-300# WN flnge, 40# bore	18.00
BF3300	3" 300# Butterfly Valve	4.00
EW300	3" sch 40 butt weld elbow	11.00
PIPE300-40	3" sch 40 pipe	84.00
BK3300	3"-300# Bolt kit	28.00

GAR135	Garlock gasket, 3" - 300#	28.00
FLX300-18	3" x 18" flex connector	4.00
FLXF300-18	Flex Conctr 3" FLG x FLG 300#	16.00

LIQUID IN HEADER LINE TO TANK

EW400	4" sch 40 butt weld elbow	18.00
BF3300	4" Butterfly Valve 300#	4.00
FLXF400-18	4" x 18" Flex w/ 300# flanges	4.00
PIPE400-40	4" sch 40 PE pipe	84.00
GAR140	Garlock gasket, 4" - 300#	28.00

LIQUID OUT—FROM TANKS TO LIQUID OUT HEADER LINE

WN3300	4"-300# WN flnge, 40# bore	24.00
BF3300	4" Butterfly Valve 300#	4.00
FLXF400-18	4" x 18" Flex w/ 300# flanges	4.00
PIPE400-40	4" sch 40 PE pipe	84.00
Stud 034x5	3/4" x 5" Stud w/nuts	224.00

COLD VAPOR HEADER LINE

PIPE400-40	4" sch 40 PE pipe	105.00
WN3300-3	3"-300# WN flnge, 40# bore	9.00
AV025	1/4" XH Thread-A-Let	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00

CONNECTION FROM COLD VAPOR HEADER OUT TO LOADING RACK AND RAIL TOWERS

BL3300	3"-300# RF blind flange	2.00
BF3300	3" 300# Butterfly Valve	1.00
EW300	3" sch 40 butt weld elbow	2.00
BK3300	3"-300# Bolt kit	7.00
GAR135	Garlock gasket, 3" - 300#	7.00
FLXF200-18	2" x 18" Flanged Flex Connectr	2.00
BK2300	2"-300# bolt kit	10.00
GAR200-300	Garlock gasket 2" 300#	10.00

HOT VAPOR HEADER LINE INCLUDING CONNECTION FOR HOT VAPOR IN FROM RAIL TOWERS

PIPE300-40	3" sch 40 pipe	105.00
WN3300-3	3"-300# WN flnge, 40# bore	4.00
BL3300	3"-300# RF blind flange	2.00

BF3300	3" 300# Butterfly Valve	1.00
EW300	3" sch 40 butt weld elbow	2.00
BK3300	3"-300# Bolt kit	7.00
GAR135	Garlock gasket, 3" - 300#	7.00
AV025	1/4" XH Thread-A-Let	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00

LIQUID IN HEADER LINE

Outside Services	6" 300# x 2" Threaded Flange	1.00
PIPE600-40	6" sch 40 PE pipe	126.00
BL6300	6" 300# RF blind flange	2.00
BT075-4	3/4" x 4" gr. 5 Bolt	64.00
GAR6300	6" 300# Garlock Gasket	6.00
AV025	1/4" XH Thread-A-Let	3.00
3127U	1/4" hydrostatic relief valve	3.00

CONNECTION FROM LIQUID IN HEADER LINE TO RAIL TOWERS

AV400	4" weld-a-let	7.00
EW400	4" sch 40 butt weld elbow	2.00
BF4300	4" Butterfly Valve 300#	1.00
GAR140	Garlock gasket, 4"-300#	11.00
Stud 034x5	3/4" x 5" Stud w/nuts	88.00

CONNECTION FOR TRANSPORT UNLOADING THROUGH BOBTAIL BULKHEAD

AV300	3" XH Thread-A-Let	1.00
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LIQUID OUT HEADER LINE

WN800	8" 300# WN Flange, 40# Bore	2.00
GAR8300	8" 300# Garlock Gasket	2.00
Stud 034x5	3/4" x 5" Stud w/nuts	36.00
AV300	3" XH Thread-A-Let	1.00
WN4300	4"-300# WN flnge, 40# bore	8.00
WN3300-3	3"-300# WN flnge, 40# bore	1.00
AV025	1/4" XH Thread-A-Let	4.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00
3127U	1/4" hydrostatic relief valve	3.00
AV600	6" weld-a-let	2.00
PIPE1200-40	12" sch40 Pipe PE	75.00
BL12150	12"-150# Rf Blind Flange	2.00

RAILTOWERS AND CATWALK BETWEEN TOWERS

Railtower	PropaneRailcar unload platform	4.00
Labor	Gang Way	8.00
Labor	Railtower 70' Catwalk	3.00
Labor	Catwalk Supports	6.00
Labor	Crane To Set Towers	1.00
Freight	Tower/Catwalk From Kearney MO	4.00

RAILTOWER PIPING

NI200x8	2" x 8" XH nipple	32.00
BA200SS-3WAY	2" Stainless Steel 3 way	4.00
Stud 034x5	3/4" x 5" Stud w/nuts	192.00
GAR140	Garlock gasket, 4"-300#	24.00
PIPE200	2" sch 80 PE pipe	126.00
LP200x15	2" x 15' LP hose w/ends	24.00
AC320-325	3 1/4" M acme x 2" MPT	24.00
NI200x18	2" x 18" XH nipple	24.00
AC305-325	3 1/4" F Acme x 2" MPT hose cup	24.00
ME980AR-16	MEC 2" ESV w/rotary actuator	24.00
930005-LH	OPW Loading Arm Left Hand	16.00
930005-RH	OPW Loading Arm Right Hand	8.00
AV600x1200	6" x 12" Weld-a-Let	2.00
SW45200	2" socket wld 45 deg elbow	24.00
TE200	2" tee 2000#	24.00
N562-U	Used Fisher Railcar ESV 2"	8.00

LIQUID, HOT AND COLD VAPOR PIPING UNDER RAIL TOWERS**-----COLD VAPOR LINE-----**

PIPE300-40	3" sch 40 pipe	231.00
WN3300-3	3"-300# WN flnge, 40# bore	4.00
BL3300	3"-300# RF blind flange	2.00
GAR135	Garlock gasket, 3" - 300#	3.00
BK3300	3"-300# Bolt kit	4.00
EW300	3" sch 40 butt weld elbow	8.00
AV200	2" XH Thread-A-Let	4.00
PIPE300-40C	3" sch 40 PE coated pipe	105.00
AV025	1/4" XH Thread-A-Let	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00
H1	17# anode bag	1.00

-----HOT VAPOR LINE-----

PIPE300-40	3" sch 40 pipe	210.00
WN3300-3	3"-300# WN flnge, 40# bore	4.00
BL3300	3"-300# RF blind flange	2.00
GAR135	Garlock gasket, 3" - 300#	3.00
BK3300	3"-300# Bolt kit	3.00
EW300	3" sch 40 butt weld elbow	4.00
PIPE300-40C	3" sch 40 PE coated pipe	105.00
AV025	1/4" XH Thread-A-Let	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
H1	17# anode bag	1.00

-----LIQUID LINE-----

PIPE400-40	4" sch 40 PE pipe	210.00
BL4300	4" x 300# RF Blind Flange	2.00
GAR140	Garlock gasket, 4"-300#	4.00
Stud 034x5	3/4" x 5" Stud w/nuts	40.00
PIPE400-40C	4" sch 40 PE coated pipe	105.00
3127U	1/4" hydrostatic relief valve	1.00
AV125	1 1/4" XH Thread-A-Let	1.00
H1	17# anode bag	1.00

COMPRESSORS

NI200x4	2" x 4" XH nipple	12.00
BA200	2" Ball Valve	12.00
T891GM4FBANSNN	Corken T891 Compressor	2.00
Outside Services	30 HP 3 Phase Exp Proof	4.00
EL200	2" elbow 2000#	12.00
FLXU200-18	2" x 18" flex w/union	12.00

LIQUID LINES FROM PUMPS 1 THROUGH 8 TO METERS 1 THROUGH 4

WN4300	4"-300# WN flnge, 40# bore	16.00
GAR140	Garlock gasket, 4"-300#	16.00
BF4300	4" Butterfly Valve 300#	4.00
PIPE400-40	4" sch 40 PE pipe	105.00
PIPE400-40C	4" sch 40 PE coated pipe	210.00
Stud 034x5	3/4" x 5" Stud w/nuts	166.00
AV025	1/4" XH Thread-A-Let	4.00
3127U	1/4" hydrostatic relief valve	4.00
H1	17# anode bag	1.00
Outside Services	Insulated Bolts	8.00

PW100-400	3M pipe wrap, 4"	10.00
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METERING SYSTEMS FOR TRANSPORT LOADING 1 THROUGH 4

Outside Services	Metering Skid Engineering	1.00
Outside Services	Outside Services	1.00

COLD VAPOR FROM HEADER LINE TO BOBTAIL AND TRANSPORT LOADING BULKHEADS AND RAILTOWERS

WN3300-3	3"-300# WN flnge, 40# bore	3.00
EW300	3" sch 40 butt weld elbow	4.00
PIPE300-40C	3" sch 40 PE coated pipe	188.00
BK3300	3"-300# Bolt kit	3.00
AV025	1/4" XH Thread-A-Let	4.00
V-334	1/4" F x 1/4" M Needle Valve	4.00
PR105-400	0-400 BM oil filled psi gauge	4.00
H1	17# anode bag	2.00
PW100-400	3M pipe wrap, 4"	4.00
PIPE200-40	2" sch 40 PE pipe	63.00
EW200	2" sch 40 butt weld elbow	4.00
GAR200-300	Garlock gasket 2" 300#	4.00
BK2300	2"-300# bolt kit	4.00
TH2300-2	2"-300# x 2" thr flange	3.00
FLX200-18	2" x 18" flex connector	3.00
ME551	pneu control for N550 ESV	3.00
NI200xWN	2" x WN nipple	3.00
TW200-40	2" sch40 butt weld tee	2.00

LIQUID FROM TRANSPORT METERS 1 THROUGH 4 TO TRANSPORT BULKHEADS

GAR135	Garlock gasket, 3" - 300#	1.00
TH3300-3	3"-300# x 3" thr. flange	4.00
BK3300	3"-300# Bolt kit	1.00
AC100-175	1 3/4 Ac plugs, nylon/chain	2.00
EW300	3" sch 40 butt weld elbow	12.00
TW300	3" butt weld 3000# tee	4.00
3127U	1/4" hydrostatic relief valve	12.00
LP100x15	1" x 15' LP hose w/ends	4.00
ME825-16	MEC 2" Full Port Globe Valve	8.00
ME825-10	MEC 1 1/4" Globe Valve	4.00
AC305	3 1/4" Acme plug w/chain	8.00
AC175-100	1 3/4" FM Acme x 1" MPT	4.00

TRANSPORT UNLOADING**BULKHEAD**

GAR135	Garlock gasket, 3" - 300#	1.00
TH3300-3	3"-300# x 3" thr. flange	1.00
FLX300-18	3" x 18" flex connector	1.00
N550-24	3" Fisher Snappy Joe	1.00
EL300	3" elbow 2000#	2.00
NI300x12	3" x 12" XH nipple	1.00
BUK1038	3" x 3" x 1 1/4" bulkhead	1.00
SN300x200	3" x 2" XH Swage nipple	1.00
SN200x125	2" x 1 1/4" XH swage nipple	1.00
ME815-16	MEC 2" full port angle valve	2.00
ME825-10	MEC 1 1/4" Globe Valve	1.00
AC170-175	1 3/4 M Acme x 1 1/4" MPT	1.00
AC150-175	1 3/4" Acme Cap, nylon w/chain	1.00
AC320-325	3 1/4" M acme x 2" MPT	1.00
AC300-325	3 1/4" Acme Cap, brass w/chain	1.00
SW300x200	3" x 2" sch 40 Weld reducer	1.00

LIQUID FROM BOBTAIL LOADING/TRANSPORT**UNLOADING BULKHEAD TO LIQUID IN HEADER LINE**

NI300x18	3" x 18" XH nipple	1.00
NI300x6	3" x 6" XH nipple	1.00
ME875-S-24	MEC 3" sight flow swing check	1.00
PIPE300	3" sch 80 PE pipe	21.00
NI300x8	3" x 8" XH nipple	1.00
Labor	Lead Man	8.00
Labor	Helper	8.00
BUK1038	3" x 3" x 1 1/4" bulkhead	1.00
TH3300-3	3"-300# x 3" thr. flange	1.00
ME825V-10	MEC 1 1/4" Globe Valve, Viton	1.00
EW600	6" sch 40 butt weld elbow	2.00

ESV SYSTEM

7605PN-50	pneumatic control kit	8.00
Outside Services	Industrial Air Compressor	1.00
Outside Services	Air Quick Disconnect Fittings/ used 425# Cylinder 125 gallon	24.00
CY425-U		1.00
Methanol	Methanol, per gallon	75.00
Labor	Lead Man	40.00
Labor	Helper	40.00
ME815-24	MEC 3" Full Port Angle Valve	1.00

ME815-16	MEC 2" full port angle valve	1.00
SOL200	2" Socket-o-let for 3"-6" pipe	24.00
SOL2x6	2" Socket-o-Let for 6" pipe	2.00
AV300-600	Weld-o-Let 3" onto 6" Pipe	3.00
AV300x300	3" weld-o-let	4.00
SO3300	3" 300# Slip On Flange	2.00
TW300	3" butt weld 3000# tee	1.00
BF3300	3" 300# Butterfly Valve	4.00

MISCELLANEOUS PARTS AND EQUIPMENT SUPPLIED BY AZ CORPORATION
PER CONTRACT OF NOVEMBER 17, 2012

EXHIBIT B

CONTRACTS

- 1. Contract of August 31, 2012 with LPG Ventures, Inc.**
- 2. Contract of November 14, 2012 with A/Z Corporation.**
- 3. Contract of November 17, 2012 with Luther Fence.**

DBIA



**DESIGN-BUILD
INSTITUTE OF AMERICA**

Standard Form of Agreement Between Owner and Design-Builder — Lump Sum

*This document has important legal consequences. Consultation with
an attorney is recommended with respect to its completion or modification.*

This **AGREEMENT** is made as of the 31st day of August in the year of 2012, by and
between the following parties, for services in connection with the Project identified below.

OWNER:

(Name and address)

GRT Financing LLC
12 Roosevelt Ave
Mystic, CT 06355

Lawrence C. Chesler, Member

DESIGN-BUILDER:

(Name and address)

L.P.G. Ventures, Inc.
9611 E. 53rd Street
Raytown, MO 64133

PROJECT:

*(Include Project name and location
as it will appear in the Contract
Documents)*

Grafton Propane Terminal
North Grafton, MA

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder agree
as set forth herein.

Article 1
Scope of Work

1.1 Design-Build shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents and Owner's written project criteria provided to Design-Build.

Article 2
Contract Documents

- 2.1 The Contract Documents are comprised of the following:
- .1 All written modifications, amendments and change orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Build* (1998 Edition) ("General Conditions of Contract");
 - .2 This Agreement, including all exhibits and attachments, executed by Owner and Design-Build;
 - .3 Written Supplementary Conditions, if any, to the General Conditions of Contract;
 - .4 The General Conditions of Contract;
 - .5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract;
 - .6 Design-Build's Deviation List, if any, contained in Design-Build's Proposal, which shall specifically identify any and all deviations from Owner's Project Criteria;
 - .7 Owner's Project Criteria;
 - .8 Design-Build's Proposal, except for the Deviation List, submitted in response to Owner's Project Criteria; and
 - .9 The following other documents, if any: *(Identify, for example, Unit Price Schedules, Design-Build's allowances, Performance Standard Requirements, Owner's Permit List and any other document Owner and Design-Build elect to make a Contract Document)*
 - Design-Build's quotation July 27, 2012
 - Standard Form of Agreement Between Design-Build and Designer (modified)

Article 3
Interpretation and Intent

3.1 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof.

3.2 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

3.3 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

3.4 In the event of some ambiguity in the Contract Documents, the parties shall be deemed to have jointly authored them and nothing shall be construed against or in favor of one party based on a party being deemed the sole author.

Article 4 **Ownership of Work Product**

4.1 **Work Product.** All drawings, specifications and other documents and electronic data furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including the copyrights thereto. The Owner shall not use the Design-Builder's Work Product to obtain bids from other contractors nor to build this project or any other project after termination of this Agreement except as permitted in Section 4.3.

4.2 **Owner's Limited License Upon Payment in Full.** Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier and their respective officers, directors and employees (collectively the "Indemnified Parties").

4.3 **Owner's Limited License Upon Owner's Termination for Convenience or Design-Builder's Election to Terminate.** If Owner terminates the Project for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited non-transferable license to use the Work Product to complete the Project and subsequently occupy the Project, conditioned on the following:

- .1 Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party; and
- .2 Owner agrees to pay Design-Builder the additional sum of Fifty-Thousand and No/100 Dollars (\$ 50,000.00) as compensation for the right to use the Work Product in accordance with this Article 4 if Owner resumes the Project through its employees, agents, or third parties.

4.4 **Owner's Limited License Upon Design-Builder's Default.** If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract and (i) it is determined that Design-Builder was in default and (ii) Owner has fully satisfied all of its obligations under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's completion and occupancy of the Project. This limited license is conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to any Indemnified Party.

4.5 **Owner's Indemnification for Use of Work Product.** If Owner uses the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use of the Work Product. To the fullest extent permitted by law, the indemnity obligations of Owner related to the use or modification of Design-Builder's Work Product shall

include claims alleging the negligence of any Indemnified Parties. The parties agree that Owner can obtain insurance to cover this risk, naming Design-Builder as an additional insured, the cost of such insurance is included in Owner's Project Budget.

Article 5 Contract Time

5.1 Date of Commencement. The Work shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

5.2 Substantial Completion and Final Completion

5.2.1 Substantial Completion of the entire Work shall be achieved no later than December 1, 2012 with the following provision: All efforts will be made to complete the construction and commissioning of the terminal, including temporary installation of components and piping, where the availability of metering systems and compressors may require temporary equipment to be installed in order to achieve substantial completion by December 1, 2012, as these items are subject to manufacturers production schedule. Substantial Completion shall be as defined as set out in Section 1.2.11 of the General Conditions. This date shall be established by mutual written agreement of Owner and Design-Builder but shall be no later than the date of issuance of a temporary Certificate of Occupancy (TCO), or other applicable temporary use permit, by the local building official or governmental entity, where applicable.

5.2.2 Interim milestones and/or Substantial Completion of identified portions of the Work shall be achieved as follows: *(Insert any interim milestones for portions of the Work with different scheduled dates for Substantial Completion.)*

N/A

5.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date upon which all work is complete, including any items identified in the Punch List prepared under Article 6 of the General Conditions. Deficiencies in the Work that are discovered after Substantial Completion shall be deemed warranty work, which shall be corrected by Design Builder under Articles 2.9 and 2.10 of the General Conditions, but shall not be a reason to withhold final payment from Design-Builder.

5.2.4 All of the dates set forth in this Article 5 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

5.4 Liquidated Damages. Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Provided the parties agree on an early completion bonus under Section 5.5, below, Design-Builder agrees that if Substantial Completion is not attained by N/A (N/A) days after the Scheduled Substantial Completion Date (the "LD Date"), Designer-Builder shall pay Owner N/A Dollars (\$ N/A) as liquidated damages for each day that Substantial Completion extends beyond the LD Date. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which are occasioned by any delay in achieving Substantial Completion. *(If liquidated damages are applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.4 will need to be modified accordingly)*

5.5 Early Completion Bonus. If Substantial Completion is attained on or before N/A (N/A) days before the Scheduled Substantial Completion Date (the "Bonus Date"), Owner shall pay Design-Builder at the time of Final Payment under Section 7.3 hereof an early completion bonus of N/A Dollars (\$ N/A) for each

day that Substantial Completion is attained earlier than the Bonus Date. *(If an early completion bonus is applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.5 will need to be modified accordingly)*

Article 6 **Contract Price**

6.1 Contract Price. Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum of One Million Six Hundred Ten Thousand Two Hundred Dollars (\$1,610,200) ("Contract Price"), as defined in Design-Builder's quotation dated July 27, 2012, subject to exclusions and adjustments made in accordance with the General Conditions of Contract. Contract Price does not include any sales, use, consumer, excise or other taxes mandated by applicable Legal Requirements in the State. In the event the project is taxable, Owner is responsible for all taxes to the appropriate state agencies.

6.2 Markups for Changes. If the Contract Price requires an adjustment due to changes in the Work, and the cost of such changes is determined under Sections 9.4.1.3 or 9.4.1.4 of the General Conditions of Contract, the following markups shall be allowed on such changes: *(Insert applicable markups)*

.1 For Additive Change Orders, Design-Builder shall receive a markup of twenty-five percent (25%) of the Cost of the Work covered by that Change Order for overhead and profit, plus a markup of N/A percent (N/A %) for bond, if applicable.

.2 For Deductive Change Orders, there shall be no markup on the direct cost.

.3 Where Additive and Deductive items are included in the same Change Order, the Design-Builder's markup shall be calculated on the Additive items only, not on the net result of all items in a particular Change Order.

6.3 Discounts. All discounts offered by Suppliers and others to Design-Builder for early payment shall accrue 100% to Design-Builder for which Design-Builder advances payment. Unless Owner advances payment to Design-Builder specifically to receive the discount, Design-Builder may include in its Application for Payment the full undiscounted cost of the item for which payment is sought.

Article 7 **Procedure for Payment**

7.1 Progress Payments

7.1.1 Owner shall pay Design-Builder thirty percent (30%) of the Contract Price upon execution of this Agreement. Upon completion of each phase of the Project (as defined in Design-Builder's quotation dated July 27, 2012) Design-Builder shall submit to Owner Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract. Terms:

- 30% Upon Execution of the Contract
- 30% Upon Receipt of Major Components
- 30% Upon Final Inspection and Commissioning
- 10% 30 Days After Commissioning as per Para 7.2.1

7.1.2 Owner shall make payment within thirty (30) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

7.2 Retainage on Progress Payments

7.2.1 Owner will retain ten percent (10 %) of the value of the project for 30 days upon completion and commissioning of the project, at which point the final payment of the 10% is due.

7.2.2 Upon completion of the Punch List items or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work.

7.3 **Final Payment.** Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within thirty (30) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 **Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest after payment is due at the rate of 1.5 percent (1.5 %) per month until paid. In any legal action to recover or collect amounts due and not paid, Design-Builder shall be permitted to recover its attorney's fees and costs from Owner.

7.5 **Record Keeping and Finance Controls.** With respect to changes in the Work performed on a cost basis by Design-Builder pursuant to the Contract Documents, Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access from time to time, upon reasonable notice, to Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to changes in the Work performed on a cost basis in accordance with the Contract Documents, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed by the parties.

7.6 **Payments to Designer.** Unless otherwise specified among the parties, Owner shall make all payments directly to Design-Builder's Design subcontractor ("Designer"). Design-Builder shall not be responsible for any payments to Designer nor shall Design-Builder be liable for and rights that Designer may have due to non-payment by Owner.

Article 8 **Termination for Convenience**

8.1 Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

- .1 All Work executed and for proven loss, cost or expense in connection with the Work including any applicable lost anticipated early completion bonus;
- .2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and

.3 The fair and reasonable sums for overhead and profit on the Contract Price

8.2 In addition to the amounts set forth in Section 8.1 above, Design-Builder shall be entitled to receive the following

.1 If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid ten percent (10%) of the remaining balance of the Contract Price.

8.3 If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof.

Article 9
Representatives of the Parties

9.1 Owner's Representatives

9.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Lawrence C. Chesler
12 Roosevelt Ave
Mystic, CT 06355

9.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

John Holstein
12 Roosevelt Ave
Mystic, CT 06355

9.2 Design-Builder's Representatives

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

John Baanders
L.P.G. Ventures, Inc.
9611 E. 53rd Street
Raytown, MO 64133

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Carroll Jordan
Project Manager
L.P.G. Ventures, Inc.
9611 E. 53rd Street
Raytown, MO 64133

Article 10
Bonds and Insurance

10.1 **Insurance.** Design-Builder shall procure in accordance with Article 5 of the General Conditions of Contract the following insurance coverages: *(Attach Insurance Schedule indicating the required coverage, amount of required coverage, duration of coverage, required rating of insurance carriers and any other insurance requirements required of the parties)*

<u>TYPE</u>	<u>REQUIRED LIMITS</u>
1 Worker's Compensation	Statutory Amount

2 Employer's Liability \$500,000 by disease
\$500,000 each accident
\$500,000 each employee

3 Comprehensive General Liability (CGL) (1986 ISO Form or Broader)
General Aggregate \$1,000,000
Completed Operations Aggregate \$1,000,000
Limit Per Occurrence \$1,000,000

The CGL policy should include the following conditions, in the policy or by special endorsement:

- a) Premises and Operations
- b) Broad Form Contractual/Contractually Assumed Liability
- c) Independent Contractors
- d) Personal Injury
- e) Products/Completed Operations
- f) "XCU" coverage - explosion, collapse, underground hazards
- g) Endorsement for Per Project Aggregate

4. Automobile Liability (Hired, Owned and Non-Owned Included):
Combined Single Limit per Accident \$1,000,000

5. ~~Builders Risk~~ \$Amount of Contract Price CC

6. Umbrella Policy \$1,000,000

7. Professional Liability (errors and omissions) \$1,000,000 per claim and annual aggregate
(May be procured and provided by Design-Builder's Design Subcontractor).

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security: *(Insert the amount of bonds and any other conditions of the bonds or other security)*

N/A - No bonds required

Article 11 Other Provisions

11.1 Other provisions, if any, are as follows: *(Insert any additional provisions)*

Owner shall provide the following items for which Design-Builder shall have no responsibility or liability:

- a. Fresh & waste water
- b. Three phase electrical service to site from PPL
- c. All site leveling and grading
- d. Drivers building and all costs associated with its move and install
- e. Costs associated with RR sidings and crossings
- f. Trenching
- g. Base rock, sand or asphalt required for the project
- h. Drive/street access improvements
- i. Site surveys and boundary identification
- j. Rock or other underground hazards

11.2 Licensing

11.2.1 Design-Builder is not a licensed or authorized architect or engineer and Owner acknowledges that it is contracting with Design-Builder to merely furnish, but not to perform, design services, and to manage and administer the furnishing of such services. Owner further acknowledges that Design-Builder will obtain all design services from licensed design professionals, duly authorized and registered to render such services in the state in which the Project is located.

11.2.2 With the understanding that Design-Builder is not performing or rendering professional design services, Owner waives any defense to an action by Design-Builder to enforce this agreement which relates to Design-Builder's authorization to render design services in the state in which the Project is located.

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

DESIGN-BUILDER:

Lawrence C. Chesler

John Baanders

(Signature)



(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

President

Date: _____

Date: 9/4/12

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Letter of Transmittal

No. 4



Project: Grafton/Upton Transfer Station

To: Jon Holstein
Spicer Advanced Gas Co
36 Thames Street
Groton, CT 06340
Ph: (860)445-2436

Job: C-5-7357
Date: 12/6/2012
Ref No:

Ref: Change Request - 1: Site Grounding Grid

WE ARE SENDING YOU:

- | | | | |
|--|---|---|--|
| <input type="checkbox"/> Shop drawings | <input type="checkbox"/> Prints | <input type="checkbox"/> Plans | <input type="checkbox"/> Samples |
| <input type="checkbox"/> Copy of letter | <input type="checkbox"/> Change order | <input type="checkbox"/> Specifications | <input checked="" type="checkbox"/> Change Request |
| <input checked="" type="checkbox"/> Attached | <input checked="" type="checkbox"/> Sent via: | | |

Document Type	Copies	Date	No.	Description
Change Request	1	12/5/12	1	Site Grounding Grid

THESE ARE TRANSMITTED as checked below:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> For approval | <input type="checkbox"/> Approved as submitted | <input type="checkbox"/> Resubmit ___ copies for approval |
| <input type="checkbox"/> For your use | <input type="checkbox"/> Approved as noted | <input type="checkbox"/> Submit ___ copies for distribution |
| <input type="checkbox"/> As requested | <input type="checkbox"/> Returned for corrections | <input type="checkbox"/> Return ___ corrected prints |
| <input type="checkbox"/> For review and comment | <input type="checkbox"/> Other | |
| <input type="checkbox"/> For Bids Due | | |

Remarks:

Copy To:

Signature:


Anthony Cardillo (AZ Corporation)

If enclosures are not as noted, kindly notify us at once

46 Norwich Westerly Road • P O Box 370 • North Stonington CT 06359
One Research Drive • Westborough MA 01581

Page 1 of 1

Change Order Request



No: 1

Title: Site Grounding Grid

Project: Grafton/Upton Transfer Station

Job: C-5-7357

To: Jon Holstein
Spicer Advanced Gas Co
36 Thames Street
Grafton, CT 06340
Ph: (860)445-2436

Date: 12/5/12

Scope of Work:

Install (2) grounding grid and (3) ground rod points. Provide bonding of all new towers, equipment skid, LPG tanks and piping steel. Provide bonding for track isolation and bond to grid.

Schedule Impact:

We reserve the right to correct this quote for errors and omissions.

This price is good for acceptance within 30 days from the date of receipt.

[No interlineations, erasures or alterations are to be made to this quote without express consent of A/Z Corporation.]

Total Change Order Request: \$14,913.99

If you have any questions or require further information/clarification, please contact me at (800)400-2420.

Approved By: _____

Date: _____

Reported By: A/Z Corporation

Signed: _____

Anthony Corallo

cc: A/Z File

Change Order Request



No: 1

Title: Site Grounding Grid

Project: Grafton/Upton Transfer Station

Job: C-5-7357

Change Request #1 Site Grounding Grid Price Breakdown

Description	Quantity	Mat Cost	U	Mat Cost	Other Cost	Labor Hrs	Unit Cost	Labor Cost	Equip Cost	Sub Cost
01-240 PURCHASING						2.00	71.00	\$142.00		
01-260 PROJECT MANAGER						4.00	101.00	\$404.00		
16-100 JOURNEYMAN ELECTRICIAN						157.00	66.00	\$10,362.00		
02-200 SITEWORK						8.00	53.00	\$424.00		
01-350 ELECTRICAL FOREMAN						4.00	72.00	\$288.00		
16-100 COPPER WIRE CAD SHOTS MOLDS AND GROUND RODS				\$2,818.39						
Cost Summary:		Labor Total				175.00	Hrs	\$ 11,620.00		
		Equipment Total								
		Materials Total						\$ 2,818.39		
		Other Total								
		Subcontract Total								
Markups/Add-ons/Taxes										
								Subtotal:		\$14,438.39
								Material Mark Up	10.00%	\$281.84
								Sales Tax	6.25%	\$193.76
								Total Change Request:		\$14,913.99

AIA[®] Document A107™ – 2007

Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope

AGREEMENT made as of the Fourteenth day of November in the year Two Thousand Twelve
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

GRT Financing, LLC
12 Roosevelt Avenue
Mystic, CT 06355

and the Contractor:
(Name, legal status, address and other information)

A/Z Corporation
46 Norwich Westerly Road
P. O. Box 370
North Stonington, CT 06359

for the following Project:
(Name, location and detailed description)

Grafton & Upton Terminal
North Grafton, MA

The
(Paragraphs deleted)
Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

TABLE OF ARTICLES

1	THE WORK OF THIS CONTRACT
2	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
3	CONTRACT SUM
4	PAYMENT
5	DISPUTE RESOLUTION
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7	GENERAL PROVISIONS
8	OWNER
9	CONTRACTOR
11	SUBCONTRACTORS
12	CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
13	CHANGES IN THE WORK
14	TIME
15	PAYMENTS AND COMPLETION
16	PROTECTION OF PERSONS AND PROPERTY
17	INSURANCE & BONDS
18	CORRECTION OF WORK
19	MISCELLANEOUS PROVISIONS
20	TERMINATION OF THE CONTRACT
21	CLAIMS AND DISPUTES

ARTICLE 1 THE WORK OF THIS CONTRACT

The Contractor shall execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 2.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

| The commencement date will be fixed in a notice to proceed.

§ 2.2 The Contract Time shall be measured from the date of commencement.

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§ 2.3 The Contractor shall achieve Substantial Completion of the entire Work not later than () days from the date of commencement, or as follows:
(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)

The Contractor shall achieve Substantial Completion of the entire Work approximately 6 weeks from commencement of the Work subject to the schedule assumptions indicated in the Contractor's proposal dated 11/13/2012.

Portion of Work	Substantial Completion Date
-----------------	-----------------------------

subject to adjustments of this Contract Time as provided in the Contract Documents.
(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

ARTICLE 3 CONTRACT SUM

§ 3.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be one of the following:
(Check the appropriate box.)

Stipulated Sum, in accordance with Section 3.2
(Paragraphs deleted)
 below

§ 3.2 The Stipulated Sum shall be Eighty-six Thousand Five Hundred Twenty-four Dollars and Zero Cents (\$ 86,524.00), subject to additions and deductions as provided in the Contract Documents.

§ 3.2.1 The following alternates, if any, which are described in the Contract Documents are subject to acceptance by the Owner prior to the commencement of the Work:
(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

Furnishing and installing the site lighting (not explosion proof) referenced within the RFP.	ADD \$24,385.00 ✓
Furnishing disconnects, control panel/cabinet, e-stop stations, and start-stop stations.	ADD \$16,843.00 ✓
Electrical service from the utility budget only.	ADD \$31,506.00

(Paragraphs deleted)
(Table deleted)
(Paragraphs deleted)
(Table deleted)
(Paragraphs deleted)
(Table deleted)
(Paragraphs deleted)
(Table deleted)
(Paragraphs deleted)

ARTICLE 4 PAYMENTS

§ 4.1 PROGRESS PAYMENTS

§ 4.1.1 Based upon Applications for Payment submitted to the Owner by the Contractor, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 4.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 4.1.3 Provided that an Application for Payment is received by the Owner not later than the Tenth day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the Tenth day of the following month. If an Application for Payment is received by the Owner after the date fixed above, payment shall be made by the Owner not later than Thirty (30) days after the Owner receives the Application for Payment.
(Federal, state or local laws may require payment within a certain period of time.)

§ 4.1.4 Retainage, if any, shall be withheld as follows:

0

§ 4.1.5 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.
(Insert rate of interest agreed upon, if any.)

1.00 % monthly

§ 4.2 FINAL PAYMENT

§ 4.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- 1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 18.2, and to satisfy other requirements, if any, which extend beyond final payment

§ 4.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after receipt by the Owner of the Contractor's final Application for Payment.

ARTICLE 5 DISPUTE RESOLUTION

§ 5.1 BINDING DISPUTE RESOLUTION

For any claim subject to, but not resolved by, mediation pursuant to Section 21.3, the method of binding dispute resolution shall be as follows:

(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, claims will be resolved in a court of competent jurisdiction.)

- [X] Arbitration pursuant to Section 21.4 of this Agreement
- [] Litigation in a court of competent jurisdiction
- [] Other *(Specify)*

ARTICLE 6 ENUMERATION OF CONTRACT DOCUMENTS

§ 6.1 The Contract Documents are defined in Article 7 and, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 6.1.1 The Agreement is this executed AIA Document A107-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope.

(Table deleted)

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(Paragraphs deleted)

(Table deleted)

(Paragraph deleted)

§ 6.1.4 The Drawings:

(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

E1	Diagram For Electrical in Grafton & Upton	10-17-2012	0
E2	Diagram For Electrical in Grafton & Upton	10-17-2012	0
ELEC-1	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-2	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-3	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-4	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-5	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-6	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-7	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0
ELEC-8	Electrical Layout Diagrams For Grafton & Upton	10-23-2012	0

(Paragraph deleted)

(Table deleted)

(Paragraph deleted)

§ 6.1.6 Additional documents, if any, forming part of the Contract Documents:

(Paragraphs deleted)The Contractor's proposal dated 11/13/2012.

ARTICLE 7 GENERAL PROVISIONS

§ 7.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in Article 6 and consist of this Agreement (including, if applicable, Supplementary and other Conditions of the Contract), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Owner. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 7.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between any persons or entities other than the Owner and the Contractor.

§ 7.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 7.4 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Owner. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

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§ 7.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 7.5.1 The Owner shall be deemed the author and owner of its respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's reserved rights.

§ 7.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner.

§ 7.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmission, unless otherwise provided in the Agreement or in the Contract Documents.

ARTICLE 8 OWNER

§ 8.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 8.1.1 The Owner shall furnish all necessary surveys and a legal description of the site.

§ 8.1.2 The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 8.1.3 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 9.6.1, the Owner shall secure and pay for other necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 8.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents, or repeatedly fails to carry out the Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order is eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

§ 8.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents, and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner, without prejudice to any other remedy the Owner may have, may correct such deficiencies and may deduct the reasonable cost thereof, including the Owner's expenses from the payment then or thereafter due the Contractor.

ARTICLE 9 CONTRACTOR

§ 9.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 9.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 9.1.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 8.1.1, shall take field measurements of any existing conditions related to that portion of the Work and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of

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discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Owner any errors, inconsistencies, or omissions discovered by or made known to the Contractor as a request for information in such form as the Owner may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents.

§ 9.1.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Owner any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Owner may require.

§ 9.2 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 9.2.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters.

§ 9.2.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

§ 9.3 LABOR AND MATERIALS

§ 9.3.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 9.3.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 9.3.3 The Contractor may make a substitution only with the consent of the Owner and in accordance with a Modification.

§ 9.4 WARRANTY

The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear under normal usage.

§ 9.5 TAXES

The Contractor shall pay sales, consumer, use and other similar taxes that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 9.6 PERMITS, FEES, NOTICES, AND COMPLIANCE WITH LAWS

§ 9.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as other permits, fees, licenses and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 9.6.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or

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lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 9.7 ALLOWANCES

The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. The Owner shall select materials and equipment under allowances with reasonable promptness. Allowance amounts shall include the costs to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts. Allowance amounts shall not include the Contractor's costs for unloading and handling at the site, labor, installation, overhead, and profit.

§ 9.8 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 9.8.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 9.8.2 The Contractor shall perform the Work in general accordance with the most recent schedule submitted to the Owner.

§ 9.9 SUBMITTALS

§ 9.9.1 The Contractor shall review for compliance with the Contract Documents and submit to the Owner Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in coordination with the Contractor's construction schedule and in such sequence as to allow the Owner reasonable time for review. By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner that the Contractor has (1) reviewed and approved them; (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so; and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents. The Work shall be in accordance with approved submittals.

§ 9.9.2 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.

§ 9.10 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 9.11 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 9.12 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material from and about the Project.

§ 9.13 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Owner.

§ 9.14 ACCESS TO WORK

The Contractor shall provide the Owner access to the Work in preparation and progress wherever located.

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§ 9.15 INDEMNIFICATION

§ 9.15.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner and its agents and employees from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 9.15.1.

§ 9.15.2 In claims against any person or entity indemnified under this Section 9.15 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 9.15.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

(Paragraphs deleted)

ARTICLE 11 SUBCONTRACTORS

§ 11.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site.

§ 11.2 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner the names of the Subcontractors or suppliers for each of the principal portions of the Work. The Contractor shall not contract with any Subcontractor or supplier to whom the Owner has made reasonable written objection within ten days after receipt of the Contractor's list of Subcontractors and suppliers. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 11.3 Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by the Contract Documents, assumes toward the Owner, and (2) allow the Subcontractor the benefit of all rights, remedies and redress against the Contractor that the Contractor, by these Contract Documents, has against the Owner.

ARTICLE 12 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 12.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to these, including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such claim as provided in Article 21.

§ 12.2 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's activities with theirs as required by the Contract Documents.

§ 12.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

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ARTICLE 13 CHANGES IN THE WORK

§ 13.1 By appropriate Modification, changes in the Work may be accomplished after execution of the Contract. The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, with the Contract Sum and Contract Time being adjusted accordingly. Such changes in the Work shall be authorized by written Change Order signed by the Owner and Contractor, or by written Construction Change Directive signed by the Owner.

§ 13.2 Adjustments in the Contract Sum and Contract Time resulting from a change in the Work shall be determined by mutual agreement of the parties or, in the case of a Construction Change Directive signed only by the Owner, by the Contractor's cost of labor, material, equipment, and reasonable overhead and profit, unless the parties agree on another method for determining the cost or credit. Pending final determination of the total cost of a Construction Change Directive, the Contractor may request payment for Work completed pursuant to the Construction Change Directive. The Owner will make an interim determination of the amount of payment due for purposes of certifying the Contractor's monthly Application for Payment. When the Owner and Contractor agree on adjustments to the Contract Sum and Contract Time arising from a Construction Change Directive, the Owner will prepare a Change Order.

§ 13.3 The Owner will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

§ 13.4 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be equitably adjusted as mutually agreed between the Owner and Contractor; provided that the Contractor provides notice to the Owner promptly and before conditions are disturbed.

ARTICLE 14 TIME

§ 14.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 14.2 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 14.3 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 14.4 The date of Substantial Completion is the date certified by the Owner.

§ 14.5 If the Contractor is delayed at any time in the commencement or progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties or any causes beyond the Contractor's control, or by other causes which the Owner determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Owner may determine, subject to the provisions of Article 21.

ARTICLE 15 PAYMENTS AND COMPLETION

§ 15.1 APPLICATIONS FOR PAYMENT

§ 15.1.1 Where the Contract is based on a Stipulated Sum the Contractor shall submit to the Owner, before the first Application for Payment, a schedule of values, allocating the entire Contract Sum to the various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule, unless objected to by the Owner, shall be used in reviewing the Contractor's Applications for Payment.

(Paragraph deleted)

§ 15.1.3 Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, off the site at a location agreed upon in writing.

§ 15.1.4 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

(Paragraphs deleted)

§ 15.3 PROGRESS PAYMENTS

§ 15.3.1 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to sub-subcontractors in similar manner.

§ 15.3.2 The Owner shall not have an obligation to pay or see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 15.3.3 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 15.4 SUBSTANTIAL COMPLETION

§ 15.4.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 15.4.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Owner a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 15.4.3 Upon receipt of the Contractor's list, the Owner will make an inspection to determine whether the Work or designated portion thereof is substantially complete. When the Owner determines that the Work or designated portion thereof is substantially complete, the Owner will issue a Certificate of Substantial Completion which shall establish the date of Substantial Completion, establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 15.4.4 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 15.5 FINAL COMPLETION AND FINAL PAYMENT

§ 15.5.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Owner will promptly make such inspection and, when the Owner finds the Work acceptable under the Contract Documents and the Contract fully performed, the entire balance found to be due the Contractor and noted in the final Certificate is due and payable.

§ 15.5.2 Final payment shall not become due until the Contractor has delivered to the Owner a complete release of all liens arising out of this Contract or receipts in full covering all labor, materials and equipment for which a lien could be filed, or a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including costs and reasonable attorneys' fees.

§ 15.5.3 The making of final payment shall constitute a waiver of claims by the Owner except those arising from
.1 liens, claims, security interests or encumbrances arising out of the Contract and unsettled.

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- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 15.5.4 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 16 PROTECTION OF PERSONS AND PROPERTY

§ 16.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 16.1.2 and 16.1.3, except for damage or loss attributable to acts or omissions of the Owner or by anyone for whose acts the Owner may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 9.15.

§ 16.2 HAZARDOUS MATERIALS

§ 16.2.1 The Contractor is responsible for compliance with the requirements of the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents, and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner in writing. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shutdown, delay and start-up.

§ 16.2.2 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area, if in fact, the material or substance presents the risk of bodily injury or death as described in Section 16.2.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 16.2.3 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

ARTICLE 17 INSURANCE AND BONDS

§ 17.1 The Contractor shall purchase from, and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and claims for damages, other than to the Work itself, to property which may arise out of or result

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from the Contractor's operations and completed operations under the Contract, whether such operations be by the Contractor or by a Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to the Contractor's obligations under Section 9.15. Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. The Contractor shall cause the commercial liability coverage required by the Contract Documents to include: (1) the Owner, as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 17.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance

§ 17.3 PROPERTY INSURANCE

§ 17.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance on an "all-risk" or equivalent policy form, including builder's risk, in the amount of the initial Contract Sum, plus the value of subsequent modifications and cost of materials supplied and installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 15.5 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 17.3.1 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and sub-subcontractors in the Project.

§ 17.3.2 The Owner shall file a copy of each policy with the Contractor before an exposure to loss may occur. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 17.3.3 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) separate contractors described in Article 12, if any, and any of their subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Section 17.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of separate contractors described in Article 12, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 17.3.4 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their sub-subcontractors in similar manner.

(Paragraphs deleted)

ARTICLE 18 CORRECTION OF WORK

§ 18.1 The Contractor shall promptly correct Work rejected by the Owner or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement shall be at the Contractor's expense.

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§ 18.2 In addition to the Contractor's obligations under Section 9.4, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 15.4.3, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty.

§ 18.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 8.3.

§ 18.4 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 18.5 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Article 18.

ARTICLE 19 MISCELLANEOUS PROVISIONS

§ 19.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract without written consent of the other, except that the Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 19.2 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 21.4.

§ 19.3 TESTS AND INSPECTIONS

Tests, inspections and approvals of portions of the Work required by the Contract Documents or by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Owner timely notice of when and where tests and inspections are to be made so that the Owner may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating the costs to the Contractor.

§ 19.4 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 19.4.

ARTICLE 20 TERMINATION OF THE CONTRACT

§ 20.1 TERMINATION BY THE CONTRACTOR

If the Owner fails to make payment for a period of 30 days through no fault of the Contractor, or if the Owner fails to make payment as provided in Section 4.1.3 for a period of 30 days, the Contractor may, upon seven additional days' written notice to the Owner, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

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§ 20.2 TERMINATION BY THE OWNER FOR CAUSE

§ 20.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 20.2.2 When any of the above reasons exists, the Owner, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 20.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 20.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 20.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner.

§ 20.3 TERMINATION BY THE OWNER FOR CONVENIENCE

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 21 CLAIMS AND DISPUTES

(Paragraph deleted)

§ 21.2 If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 21.3 The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with their Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 21.4 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any claim, subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association, in accordance with the Construction Industry Arbitration Rules in effect on the date of this Agreement. Demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 21.5 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

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§ 21.6 Any party to an arbitration may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a Claim not described in the written Consent.

§ 21.7 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 21.8 CLAIMS FOR CONSEQUENTIAL DAMAGES

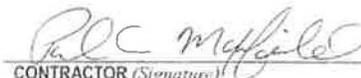
The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

1. damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
2. damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 20. Nothing contained in this Section 21.8 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

This Agreement entered into as of the day and year first written above.


OWNER (Signature)
JONATHAN HOLSTEIN - MANAGER
(Printed name and title)


CONTRACTOR (Signature)
Paul Maxfield CFO
(Printed name and title)

PROPOSAL



145 Leonard Drive, Groton, CT 06340
(860) 445-5660 Fax (860) 448-0246 Lic. #0629270

PROPOSAL SUBMITTED TO Spicer Advanced Gas	PHONE FAX	DATE 11-17-12
STREET 36 Thames St	EMAIL jholstein@spicergas.com	
CITY, STATE AND ZIP CODE Groton	JOB LOCATION Grafton, Mass.	

We hereby submit specifications and estimates for:

Material and installation of chain link fence:

- Estimate based on 2000 linear ft x 6' high industrial type fence
- 9 gauge galvanized wire, 2" mesh
- 2" ss20 galvanized line posts
- 2 1/2" ss20 galvanized terminal posts
- All posts set in concrete footings per industry standards
- 1 5/8" galvanized top rail throughout
- Wire stretched and tied per industry standards
- (2) Double drive opening commercial type swing gates (actual size t.b.d.)
- Gate posts sized to industry standards depending on opening sizes
- All heavy duty hinge and latch hardware throughout

Site visit and review before final acceptance of proposal.

We Propose hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of:

Price does not include sales tax if applicable.

\$34,700.00

Terms of contract: 30% down upon acceptance of contract. 30% after all posts are set. Balance upon completion and acceptance of work.

1. All special "Conditions" must be included in this contract. No representations, warranties, understandings, terms or agreements are valid unless they are included in this contract.
 2. LUTHER FENCE, INC. is responsible for adhering to all applicable governmental rules and regulations. Customer must obtain all permits if necessary. Customer must determine location of fence lines.
 3. LUTHER FENCE, INC. (hereafter "Company") cannot be held liable for incorrect line location. Customer must be home at start of work. Customer is responsible for clearing of fence lines prior to installation.
 4. Customer must specify if the fence is to follow the ground contour or to be level on top. Company cannot be held responsible for any filling, leveling or landscaping of customer's property.
 5. This contract does not include removal or disposal of existing fence or debris unless specifically stated. Company assumes no responsibility for damage to vegetation, underground wires, pipes or sprinklers.
 6. Company is not responsible for wind and weather damage, acts of God or other causes beyond the Company's control.
 7. Company is not responsible for cracks and damages, which may occur.
 8. Company is not responsible for work necessary to finish concrete or masonry.
 9. All wood finishing is sold "as is". Cracking, warping, shrinking or discolorations are all inherent characteristics of wood for which Company holds no responsibility.
 10. Should customer fail to make the required payments, Company has the right to cease all work. All materials remain property of Company until this contract is paid in full.
 11. An interest rate of 1.5% per month (18% annually) will be charged on all past due accounts.
 12. Installation schedule: 4 to 6 weeks approximately.
 13. If this contract is cancelled by customer after state mandated cancellation period, Company will refund all payments made by customer minus 25% of down payment. Refunds will be made within 30 days of cancellation.
 14. You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. Cancellation must be done in writing.
- Note: This proposal may be withdrawn by Company if not accepted within 90 days.

Authorized Signature Jon Luther

Acceptance of Proposal- The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined.

Date of Acceptance 11/17/12 Signature [Handwritten Signature]

EXHIBIT C
EQUIPMENT NOTE

EQUIPMENT NOTE

\$2,059,546.00

Date: August 14, 2013
Marlborough, Massachusetts

For value received, GRAFTON & UPTON RAILROAD COMPANY (the "Railroad"), a Massachusetts corporation with a usual place of business at 929 Boston Post Road East, Marlborough, MA 01752, hereby promises to pay to the order of GRT FINANCING, LLC, a Delaware limited liability company ("GRT"), with a usual place of business at 12 Roosevelt Avenue, Mystic, CT 06355, the principal sum of TWO MILLION FIFTY NINE THOUSAND AND FIVE HUNDRED AND FORTY SIX DOLLARS (\$2,059,546.00) (the "Obligation") in lawful money of the United States of America, in immediately available funds without offset, deduction or counterclaim of any kind, with the payment of the Obligation being deferred and payable until the earliest of (i) the Ninetieth (90th) day after the issuance of a final decision on terms and conditions reasonably acceptable to the Railroad finding that the the legal right of federal preemption applies to the Borrower to construct and operate the LPG Transfer Facility intended to be constructed and operated pursuant to or referred to in the terms and conditions of the Equipment Purchase Agreement and Termination Agreement between the parties and others, by either of the Surface Transportation Board ("STB") and/or any court of competent jurisdiction and the expiration of any and all applicable appeal periods thereto, (ii) or the 90th day after the Railroad begins propane transloading operations by utilizing any portion of the LPG Equipment at the permanent LPG Transfer Facility in Grafton, but, in no event, later than June 30, 2015 (the "Maturity Date").

Failure of Railroad to make the aforesaid payments on the Maturity Date shall allow GRT to charge interest at the rate of ten (10%) per annum on the outstanding Obligation, but only after the Maturity Date.

Railroad may prepay the outstanding principal balance in whole or in part prior to the Maturity Date.

This Note is given to secure the obligations set forth in the Equipment Purchase Agreement, Assignment of Contracts & Termination Agreement of even date and is to be secured by the Security Agreement of even date.

The obligations hereunder are without recourse to the Railroad and GRT will look solely to the LPG Equipment in the event of any default by the Railroad.

The parties hereto covenant that the LPG Equipment is always to be considered as a whole in its entirety and is not to be divisible and that the Loan is not to be renegotiated at any future date.

Except as otherwise provided, Railroad waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of acceleration; notice of protest and nonpayment; notice

of costs, expenses or losses and interest thereon; notice of late charges; and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in or to properties securing payment of this Note. The Railroad shall pay any and all costs including and without limitation, reasonable attorney's fees by GRT or any holder of enforcing this note without limitation, negotiations, suits, or claims or proceedings to collect the note or protect, defend, obtain possession of and sell the LPG Equipment.

Time is of the essence with respect to every provision hereof.

This Note shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts.

RAILROAD IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST RAILROAD IN RESPECT OF THIS NOTE OR ARISING OUT OF ANY DOCUMENT, INSTRUMENT OR AGREEMENT EVIDENCING, GOVERNING OR SECURING THIS NOTE, INCLUDING THE AFORESAID MORTGAGE.

RAILROAD ACKNOWLEDGES THAT THE LOAN EVIDENCED BY THIS NOTE IS PART OF A COMMERCIAL TRANSACTION AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

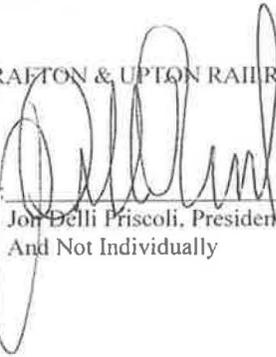
This Note is executed as a sealed instrument.

Witness:



GRAETON & UPTON RAILROAD COMPANY

By:



Jon Delli Priscoli, President & Treasurer
And Not Individually

EXHIBIT D
SECURITY AGREEMENT

SECURITY AGREEMENT

This SECURITY AGREEMENT entered into as of August 14, 2013 by Grafton & Upton Railroad Company, a Massachusetts Corporation with a principal place of business at 929 Boston Post Road, Marlborough, Massachusetts 01752 (hereinafter, the "Obligor") in favor of GRT Financing, LLC, a Delaware limited liability company having an address at 12 Roosevelt Avenue, Mystic, CT 06335 (the "Secured Party").

Whereas, the Obligor and the Secured Party have entered into an Equipment Purchase Agreement & Termination Agreement of even date whereby the Secured Party has transferred certain equipment referred to as the "LPG Equipment" to the Obligor;

Whereas, the Obligor has given the Secured Party a promissory note of even date referred to as the "Equipment Note", thence

Now Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned hereby agree and covenant as follows:

1. GRANT OF SECURITY INTEREST

1.1 Grant of Security Interest. In order to secure the Equipment Note, the Obligor hereby grants to the Secured Party a continuing first priority security interest in the LPG Equipment which is described on the Exhibit A to this Security Agreement (collectively, the "Collateral"). No other Collateral of the Obligor except for that which is shown and described on Exhibit A is being given by the Obligor to the Secured Party. Obligor hereby authorizes Secured Party to file a UCC-1 and UCC-1 continuation statements with the State of Massachusetts and any local filing office as may be necessary or desirable.

1.2 Ordinary Course of Business. Until the Secured Party shall otherwise notify the Obligor following the occurrence of an uncured Event of Default, all proceeds of and collections of Collateral shall be retained by the Obligor. From and after such notice by the Secured Party to the Obligor, all proceeds of and collections of the Collateral, after payment of reasonable expenses of operation, shall be held in trust by the Obligor for the Secured Party and shall only be deposited in the Obligor's deposit accounts established or to be established with Secured Party, and the Obligor agrees to deliver to the Secured Party on the dates of receipt thereof by the Obligor, duly endorsed to the Secured Party or to bearer, or assigned to the Secured Party, as may be appropriate, all proceeds of the Collateral.

1.3 Records. The Obligor shall hold its books and records relating to the Collateral segregated from all the Obligor's other books and records in a manner reasonably satisfactory to the Secured Party, and shall deliver to the Secured Party from time to time promptly at its reasonable request all invoices, original documents of title, contracts, chattel paper, instruments and any other writings relating thereto, and other evidence of performance of contracts, or evidence of shipment or delivery of the merchandise or of the rendering of services, and the Obligor will deliver to the Secured Party promptly at the Secured Party's reasonable request from time to time additional copies of any or all of such papers or writings, and such other information with respect to any of the Collateral and such other writings as the Secured Party may in its sole discretion reasonably deem to be necessary or effectual to evidence the Secured Party's security interest in the Collateral.

1.4 Inspection. The Secured Party, or its representatives, during normal business hours and upon reasonable notice, and following an Event of Default at any time and from time to time, shall have the right, and the Obligor will permit it and them to examine, check, make copies of or extracts from the Obligor's books, records and files related only to the Collateral (including, without limitation, orders and original correspondence); to inspect and examine the Collateral and to check and test the same as to quality, quantity, value and condition; and to reimburse the Secured Party for its reasonable costs and expenses in so doing, and to verify the Collateral or any portion or portions thereof or the Obligor's compliance with the provisions of this Agreement.

2. REPRESENTATIONS AND WARRANTIES

2.1 Solvency. Obligor is solvent, is able to pay its debts as they mature, has not within the last four months prior to the date hereof committed any act of bankruptcy, and intends to pay, keep and perform its obligations hereunder.

2.2 Organization: Name. Obligor is a duly organized, validly existing corporation established under the laws of the Commonwealth of Massachusetts, with full power and authority to own its property and assets and to conduct its business in the manner and in the places in which it has been and is now being conducted. Obligor is qualified to do business in, and is in good standing under the laws of the Commonwealth of Massachusetts and each other state where failure to qualify would materially adversely affect its business. Obligor has not, during the preceding five (5) years, changed its name, been a party to a merger, or used any other corporate, fictitious or trade name. Obligor's exact legal name is as set forth in the first paragraph of this Agreement. Obligor has not, during the preceding five (5) years, changed its name, been a party to a merger, or used any other corporate, fictitious or trade name.

2.3 Authorization. Obligor has the power to execute, deliver and carry out this Agreement and to incur the Obligations, and has taken all necessary action to authorize the execution, delivery and performance by Obligor of this Agreement and the incurring of the Obligations.

2.4 Taxes. Obligor has filed all Federal, state and other tax returns required to be filed (except for such returns for which current and valid extensions have been filed), and all taxes, assessments and other governmental charges due from the Obligor have been fully paid. The Obligor has established on its books reserves adequate for the payment of all Federal, state and other tax liabilities (if any).

3. AFFIRMATIVE COVENANTS

3.1 Title to Collateral. At the date hereof the Secured Party has transferred title to the Obligor pursuant to a Bill of Sale and the Obligor is (and as to Collateral that the Obligor may acquire after the date hereof, will be) the lawful owner of the Collateral, and the Collateral and each item thereof is, will be and shall continue to be free of all restrictions, liens, encumbrances or other rights, title or interests, credits, defenses, recoupments, set-offs or counterclaims whatsoever. The Obligor has and will have full power and authority to grant to the Secured Party a security interest in the Collateral, and the Obligor has not transferred, assigned, sold, pledged, encumbered, subjected to lien or granted any security interest in, and will not transfer, assign, sell (except sales or other dispositions in the ordinary course of business as expressly permitted in this Agreement), pledge, encumber, subject to lien or grant any security interest in any of the Collateral (or any of the Obligor's right,

title or interest therein), to any person other than the Secured Party. The Obligor will warrant and defend the Secured Party's right to and interest in the Collateral against all claims and demands of all persons whatsoever.

3.2 Taxes. Obligor will promptly pay all real and personal property taxes, assessments and charges and all franchise, income, unemployment, old age benefits, withholding, sales and other taxes assessed against it or payable by it before delinquent; provided that this covenant shall not apply to any tax assessment or charge which is being contested in good faith and with respect to which reserves have been established and are being maintained. The Secured Party may, at its option, from time to time, discharge any taxes, liens or encumbrances of any of the Collateral not timely paid by Obligor following written notice thereof by Secured Party, and the Obligor will pay to the Secured Party on demand or the Secured Party in its sole discretion may charge to the Obligor all amounts so paid or incurred by it.

3.3 Maintenance. Obligor will keep and maintain the Collateral and its other properties, if any, in good repair, working order and condition. The Obligor will immediately notify the Secured Party of any material loss or damage to or any occurrence with respect to the Collateral. The Secured Party may, at its option, from time to time, take any other action that the Secured Party may reasonably deem proper to repair, maintain or preserve any of the Collateral following reasonable notice to the Obligor and Obligor's failure to timely take such action, and the Obligor will pay to the Secured Party on demand or the Secured Party in its sole discretion may charge to the Obligor all reasonable amounts so paid or incurred by it.

3.4 Insurance. Obligor will maintain in force casualty insurance on all Collateral and any other property of the Obligor, if any, against risks customarily insured against by companies engaged in businesses similar to that of the Obligor containing such terms and written by such companies as may be satisfactory to the Secured Party, such insurance to be payable to the Secured Party as its interest may appear in the event of loss; no loss shall be adjusted thereunder without the Secured Party's approval; and all such policies shall provide that they may not be canceled without first giving at least ten (10) days' written notice of cancellation to the Secured Party. In the event that the Obligor fails to provide evidence of such insurance, the Secured Party may, at its option, secure such insurance and charge the cost thereof to the Obligor following reasonable notice to the Obligor and Obligor's failure to timely take such action. At the option of the Secured Party, all insurance proceeds received from any loss or damage to any of the Collateral shall be turned over to Obligor to be applied either to the replacement or repair thereof or, if an uncured Event of Default has occurred, as a payment on account of the Obligations.

3.5 Location of Collateral. Except for sale, processing, use, consumption or other disposition in the ordinary course of business, the Obligor will keep all tangible Collateral only at locations specified in this Agreement; that the Obligor shall, during the term of this Agreement, keep the Secured Party currently and accurately informed in writing of each location where the Obligor's records relating to its accounts and contract rights, respectively, are kept, and shall not remove such records or any of them to another state without giving the Secured Party at least thirty (30) days prior written notice thereof.

3.6 Notification of Damage. The Obligor will promptly, but in any event within ten (10) business days, notify the Secured Party of any loss or damage to, or material diminution in or any occurrence with respect to any Collateral that has or is reasonably likely to have a Material Adverse

Effect.

3.7 Notification of Default. Within ten (10) business days of becoming aware of the existence of any condition or event which constitutes an Event of Default, or any condition or event which would upon notice or lapse of time, or both, constitute an Event of Default, Obligor shall give Secured Party written notice thereof specifying the nature and duration thereof and the action being or proposed to be taken with respect thereto.

4. DEFAULT

4.1 If an Event of Default under the Equipment Note or this Security Agreement shall occur, at the election of the Secured Party, all Obligations shall become immediately due and payable without notice or demand. Upon demand by the Secured Party, the Obligor shall assemble the Collateral and make it available to the Secured Party at the place where the Collateral is presently located and/or may be relocated by the Obligor. The Secured Party is hereby authorized, at its election, after an Event of Default without any further demand or notice except to such extent as notice may be required by applicable law, to take possession and/or sell or otherwise dispose of all or any of the Collateral at public or private sale; and the Secured Party may also exercise any and all other rights and remedies of a Secured Party under the Code or which are otherwise accorded to it by applicable law, all as the Secured Party may determine. If notice of a sale or other action by the Secured Party is required by applicable law, unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Obligor agrees that ten (10) days' written notice to the Obligor, or the shortest period of written notice permitted by such law, whichever is larger, shall be sufficient notice; and that to the extent permitted by law, the Secured Party, its officers, attorneys and agents may bid and become purchasers at any such sale, if public, and may purchase at any private sale any of the Collateral that is of a type customarily sold on a recognized market or which is the subject of widely distributed standard price quotations. Any sale (public or private) shall be free from any right of redemption, which the Obligor hereby waives and releases. No purchaser at any sale (public or private) shall be responsible for the application of the purchase money. Any balance of the net proceeds of sale remaining after paying all Obligations of the Obligor to the Secured Party shall be returned to the Obligor or to such other party as may be legally entitled thereto; and if there is a deficiency, the Obligor shall be responsible for the same, with interest.

4.2 Nonexclusive Remedies. All of the Secured Party's rights and remedies not only under the provisions of this Agreement but also under any other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Secured Party at such time or times and in such order of preference as the Secured Party in its sole discretion may determine.

4.3 Reassignment to Obligor. Whenever the Secured Party deems it desirable that any legal action be instituted with respect to any Collateral or that any other action be taken in any attempt to effectuate collection of any Collateral, the Secured Party may reassign the item in question to the Obligor (and if the Secured Party shall execute any such reassignment, it shall automatically be deemed to be without recourse to the Secured Party in any event) and require the Obligor to proceed with such legal or other action at the Obligor's sole liability, cost and expense, in which event all amounts collected by the Obligor on such item shall nevertheless be subject to the Secured Party's security interest.

5. MISCELLANEOUS

5.1 Waivers. The Obligor waives notice of nonpayment, demand, presentment, protest or notice of protest of the Collateral, and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof.

5.2 Severability. If any provision of this Agreement or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

5.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

5.4 Binding Effect of Agreement. This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect until all Obligations of the Obligor to the Secured Party are indefeasibly paid in cash and Secured Party has no further obligation to extend credit or other accommodations to Obligor. The Secured Party may transfer and assign this Agreement and deliver the Collateral to any party, and thereupon such assignee shall have all of the rights and obligations of the Secured Party hereunder, and the Secured Party shall then be relieved and discharged of any responsibility or liability with respect to this Agreement and the Collateral.

5.5 Further Assurances. Obligor will from time to time execute and deliver to the Secured Party, and take or cause to be taken, all such other further action as the Secured Party may reasonably request in order to effect and confirm or vest more securely in the Secured Party all rights contemplated or to vest more fully in or assure to the Secured Party the security interest in the Collateral granted to the Secured Party by this Agreement or to comply with applicable statute or law and to facilitate the collection of the Collateral.

5.6 Amendments and Waivers. This Agreement may be amended and Obligor may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if Obligor shall obtain the Secured Party's prior written consent to each such amendment, action or omission to act. No delay or omission on the part of Secured Party in exercising any right hereunder shall operate as a waiver of such right or any other right and waiver on any one or more occasions shall not be construed as a bar to or waiver of any right or remedy of Secured Party on any future occasion.

5.7 Terms of Agreement. This Agreement shall continue in force and effect so long as any Obligations shall be outstanding and so long as the Secured Party is obligated to extend credit to Obligor under the Credit Agreement and is supplementary to each and every other agreement between Obligor and Secured Party and shall not be so construed as to limit or otherwise derogate from any of the rights or remedies of Secured Party or any of the liabilities, obligations or undertakings of Obligor under any such agreement, nor shall any contemporaneous or subsequent agreement between Obligor and the Secured Party be construed to limit or otherwise derogate from any of the rights or remedies of Secured Party or any of the liabilities, obligations or undertakings

of Obligor hereunder, unless such other agreement specifically refers to this Agreement and expressly so provides.

5.8 Notices. Any notices under or pursuant to this Agreement shall be deemed duly received and effective if delivered in hand to any officer or agent of the Obligor or Secured Party, or if mailed by registered or certified mail, return receipt requested, addressed to the Obligor or Secured Party at address set forth in the introduction to this Security Agreement or as any party may from time to time designate by written notice to the other party.

5.9 Massachusetts Law. This Agreement is intended to take effect as a sealed instrument and has been executed or completed and is to be performed in Massachusetts, and it and all transactions thereunder or pursuant thereto shall be governed as to interpretation, validity, effect, rights, duties and remedies of the parties thereunder and in all other respects by the domestic laws of Massachusetts.

5.10 Reproductions. This Agreement and all documents which have been or may be hereinafter furnished by Obligor to the Secured Party may be reproduced by the Secured Party by any photographic, photostatic, microfilm, xerographic or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

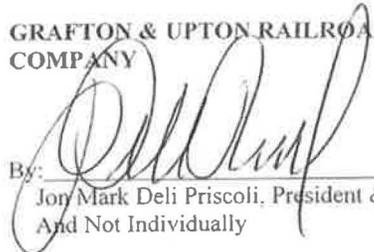
5.11 Venue. Obligor irrevocably submits to the nonexclusive jurisdiction of any federal or state court sitting in Massachusetts, over any suit, action or proceeding arising out of or relating to this Agreement. Obligor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum.

5.12 WAIVERS. THE OBLIGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, WAIVES (i) ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT, THE OBLIGATIONS HEREUNDER, AND ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HEREWITH; (ii) ITS RIGHTS TO NOTICE AND HEARING TO THE EXTENT PERMITTED BY APPLICABLE STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGEMENT REMEDY AVAILABLE TO LENDER; AND (iii) ANY RIGHT IT MAY HAVE OR HEREAFTER HAVE TO SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

Witness



GRAFTON & UPTON RAILROAD
COMPANY

By: 
Jory Mark Deli Priscoli, President & Treasurer
And Not Individually

Stock code	Description	Quantity
131"	131" x 8"-0" Pre-cast pier	8.00
Freight	Pier Freight to Grafton MA	4.00
Freight		2 4.00
Outside Services	Crane Rental	1.00

TANKS - Located in Fall River 4 - 80,000 Capacity Tanks

ACF-Industries	Vessel # 44-62066-1	1.00
ACF-Industries	Vessel # 44-62066-2	1.00
ACF-Industries	Vessel # 44-62131-1	1.00
ACF-Industries	Vessel # 44-62131-2	1.00

TANK TRIM—TANK TRIM—TANK TRIM—

Outside Services	Code Work Engineering	1.00
Outside Services	Inspections	4.00
SF4300-MOD	4" 300# Studded Flange Modified	8.00
RS101	3" relief valve stack	32.00
C6342-11-130	Magnetel level gauge 130"	4.00
TH100	Thermometer 6"	4.00
A2805C	3/4" Combination valve	4.00
GAR175	Garlock 18" 300# gasket	4.00
BK-100x6	1" x 6" Stud w/nut	96.00
C427-24-400	Fisher 3" 400gpm Intern Valve	8.00
C404A-32	Fisher 4" Internal Valve w/Act	8.00
A8574G	4" Relief Valve Manifold	8.00
WN600	6" 300# WN flange, sch 40 bore	8.00
BK4300	4" 300# Bolt Kit	28.00

COLD VAPOR TANK TO HEADER LINE

NI300xWN	3" x WN nipple	1.00
WN3300-3	3"-300# WN flange, 40# bore	16.00
BF3300	3" 300# Butterfly Valve	4.00
EW300	3" sch 40 butt weld elbow	8.00
FLX300-18	3" x 18" flex connector	4.00
PIPE300-40	3" sch 40 pipe	84.00
BK3300	3"-300# Bolt kit	28.00
GAR135	Garlock gasket, 3" - 300#	28.00
NI300xWN	3" x WN nipple	1.00
WN3300-3	3"-300# WN flange, 40# bore	18.00
BF3300	3" 300# Butterfly Valve	4.00
EW300	3" sch 40 butt weld elbow	11.00
PIPE300-40	3" sch 40 pipe	84.00
BK3300	3"-300# Bolt kit	28.00

GAR135	Garlock gasket, 3" - 300#	28.00
FLX300-18	3" x 18" flex connector	4.00
FLXF300-18	Flex Conectr 3" FLG x FLG 300#	16.00

LIQUID IN HEADER LINE TO TANK

EW400	4" sch 40 butt weld elbow	13.00
BF300	4" Butterfly Valve 300#	4.00
FLXF400-18	4" x 18" Flex w/ 300# flanges	4.00
PIPE400-40	4" sch 40 PE pipe	64.00
GAR140	Garlock gasket, 4" - 300#	28.00

LIQUID OUT—FROM TANKS TO LIQUID OUT HEADER LINE

WN4300	4" - 300# WN flnge - 40# bore	24.00
BF300	4" Butterfly Valve 300#	4.00
FLXF300-18	4" x 18" Flex w/ 300# flanges	4.00
PIPE400-40	4" sch 40 PE pipe	64.00
Stud 034x5	3/4" x 5" Stud w/nuts	224.00

COLD VAPOR HEADER LINE

PIPE400-40	4" sch 40 PE pipe	105.00
WN3300-3	3"-300# WN flnge, 40# bore	9.00
AV025	1/4" XH Thread-A-Let	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00

CONNECTION FROM COLD VAPOR HEADER OUT TO LOADING RACK AND RAIL TOWERS

BL3300	3"-300# RF blind flange	2.00
BF3300	3" 300# Butterfly Valve	1.00
EW300	3" sch 40 butt weld elbow	2.00
BK3300	3"-300# Bolt kit	7.00
GAR135	Garlock gasket, 3" - 300#	7.00
FLXF200-18	2" x 18" Flanged Flex Connectr	2.00
BK2300	2"-300# bolt kit	10.00
GAR200-300	Garlock gasket 2" 300#	10.00

HOT VAPOR HEADER LINE INCLUDING CONNECTION FOR HOT VAPOR IN FROM RAIL TOWERS

PIPE300-40	3" sch 40 pipe	105.00
WN3300-3	3"-300# WN flnge, 40# bore	4.00
BL3300	3"-300# RF blind flange	2.00

BF3300	3" 300# Butterfly Valve	1.00
EW300	3" sch 40 butt weld elbow	2.00
BK3300	3"-300# Bolt kit	7.00
GAR135	Garlock gasket, 3" - 300#	7.00
AV025	1/4" XH Thread-A-Let	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00

LIQUID IN HEADER LINE

Outside Services	6" 300# x 2" Threaded Flange	1.00
PIPE600-40	6" sch 40 PE pipe	126.00
BL6300	6" 300# RF blind flange	2.00
BT075-4	3/4" x 4" gr. 5 Bolt	64.00
GAR6300	6" 300# Garlock Gasket	6.00
AV025	1/4" XH Thread-A-Let	3.00
3127U	1/4" hydrostatic relief valve	3.00

CONNECTION FROM LIQUID IN HEADER LINE TO RAIL TOWERS

AV400	4" weld-a-let	7.00
EW400	4" sch 40 butt weld elbow	2.00
BF4300	4" Butterfly Valve 300#	1.00
GAR140	Garlock gasket, 4"-300#	11.00
Stud 034x5	3/4" x 5" Stud w/nuts	88.00

CONNECTION FOR TRANSPORT UNLOADING THROUGH BOBTAIL BULKHEAD

AV300	3" XH Thread-A-Let	1.00
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LIQUID OUT HEADER LINE

WN800	8" 300# WN Flange, 40# Bore	2.00
GAR8300	8" 300# Garlock Gasket	2.00
Stud 034x5	3/4" x 5" Stud w/nuts	36.00
AV300	3" XH Thread-A-Let	1.00
WN4300	4"-300# WN flange, 40# bore	8.00
WN3300-3	3"-300# WN flange, 40# bore	1.00
AV025	1/4" XH Thread-A-Let	4.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00
3127U	1/4" hydrostatic relief valve	3.00
AV600	6" weld-a-let	2.00
PIPE1200-40	12" sch40 Pipe PE	75.00
BL12150	12"-150# RfF Blind Flange	2.00

RAILTOWERS AND CATWALK BETWEEN TOWERS

Railtower	PropaneRailcar unload platform	4.00
Labor	Gang Way	8.00
Labor	Railtower 70' Catwalk	3.00
Labor	Catwalk Supports	6.00
Labor	Crane To Set Towers	1.00
Freight	Tower/Catwalk From Kearney MO	4.00

RAILTOWER PIPING

NI200x8	2" x 8" XH nipple	32.00
BA200SS-3WAY	2" Stainless Steel 3 way	4.00
Stud 034x5	3/4" x 5" Stud w/nuts	192.00
GAR140	Garlock gasket, 4"-300#	24.00
PIPE200	2" sch 80 PE pipe	126.00
LP200x15	2" x 15' LP hose w/ends	24.00
AC320-325	3 1/4" M acme x 2" MPT	24.00
NI200x18	2" x 18" XH nipple	24.00
AC305-325	3 1/4" F Acme x 2" MPT hose cup	24.00
ME980AR-16	MEC 2" ESV w/rotary actuator	24.00
930005-LH	OPW Loading Arm Left Hand	16.00
930005-RH	OPW Loading Arm Right Hand	8.00
AV600x1200	6" x 12" Weld-a-Let	2.00
SW45200	2" socket wld 45 deg elbow	24.00
TE200	2" tee 2000#	24.00
N562-U	Used Fisher Railcar ESV 2"	8.00

LIQUID, HOT AND COLD VAPOR PIPING UNDER RAIL TOWERS**-----COLD VAPOR LINE-----**

PIPE300-40	3" sch 40 pipe	231.00
WN3300-3	3"-300# WN flnge, 40# bore	4.00
BL3300	3"-300# RF blind flange	2.00
GAR135	Garlock gasket, 3" - 300#	3.00
BK3300	3"-300# Bolt kit	4.00
EW300	3" sch 40 butt weld elbow	8.00
AV200	2" XH Thread-A-Let	4.00
PIPE300-40C	3" sch 40 PE coated pipe	105.00
AV025	1/4" XH Thread-A-Let	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00
H1	17# anode bag	1.00

-----HOT VAPOR LINE-----

PIPE300-40	3" sch 40 pipe	210.00
WN3300-3	3"-300# WN flnge, 40# bore	4.00
BL3300	3"-300# RF blind flange	2.00
GAR135	Garlock gasket, 3" - 300#	3.00
BK3300	3"-300# Bolt kit	3.00
EW300	3" sch 40 butt weld elbow	4.00
PIPE300-40C	3" sch 40 PE coated pipe	105.00
AV025	1/4" XH Thread-A-Let	1.00
PR105-400	0-400 BM oil filled psi gauge	1.00
V-334	1/4" F x 1/4" M Needle Valve	1.00
H1	17# anode bag	1.00

-----LIQUID LINE-----

PIPE400-40	4" sch 40 PE pipe	210.00
BL4300	4" x 300# RF Blind Flange	2.00
GAR140	Garlock gasket, 4"-300#	4.00
Stud 034x5	3/4" x 5" Stud w/nuts	40.00
PIPE400-40C	4" sch 40 PE coated pipe	105.00
3127U	1/4" hydrostatic relief valve	1.00
AV125	1 1/4" XH Thread-A-Let	1.00
H1	17# anode bag	1.00

COMPRESSORS

NI200x4	2" x 4" XH nipple	12.00
BA200	2" Ball Valve	12.00
T891GM4FBANSNN	Corken T891 Compressor	2.00
Outside Services	30 HP 3 Phase Exp Proof	4.00
EL200	2" elbow 2000#	12.00
FLXU200-18	2" x 18" flex w/union	12.00

LIQUID LINES FROM PUMPS 1 THROUGH 8 TO METERS 1 THROUGH 4

WN4300	4"-300# WN flnge, 40# bore	16.00
GAR140	Garlock gasket, 4"-300#	16.00
BF4300	4" Butterfly Valve 300#	4.00
PIPE400-40	4" sch 40 PE pipe	105.00
PIPE400-40C	4" sch 40 PE coated pipe	210.00
Stud 034x5	3/4" x 5" Stud w/nuts	166.00
AV025	1/4" XH Thread-A-Let	4.00
3127U	1/4" hydrostatic relief valve	4.00
H1	17# anode bag	1.00
Outside Services	Insulated Bolts	8.00

PW100-400	3M pipe wrap, 4"	10.00
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METERING SYSTEMS FOR TRANSPORT LOADING 1 THROUGH 4

Outside Services	Metering Skid Engineering	1.00
Outside Services	Outside Services	1.00

COLD VAPOR FROM HEADER LINE TO BOBTAIL AND TRANSPORT LOADING BULKHEADS AND RAILTOWERS

WN3300-3	3"-300# WN flnge, 40# bore	3.00
EW300	3" sch 40 butt weld elbow	4.00
PIPE300-40C	3" sch 40 PE coated pipe	188.00
BK3300	3"-300# Bolt kit	3.00
AV025	1/4" XH Thread-A-Let	4.00
V-334	1/4" F x 1/4" M Needle Valve	4.00
PR105-400	0-400 BM oil filled psi gauge	4.00
H1	17# anode bag	2.00
PW100-400	3M pipe wrap, 4"	4.00
PIPE200-40	2" sch 40 PE pipe	63.00
EW200	2" sch 40 butt weld elbow	4.00
GAR200-300	Garlock gasket 2" 300#	4.00
BK2300	2"-300# bolt kit	4.00
TH2300-2	2"-300# x 2" thr flange	3.00
FLX200-18	2" x 18" flex connector	3.00
ME551	pneu control for N550 ESV	3.00
NI200xWN	2" x WN nipple	3.00
TW200-40	2" sch40 butt weld tee	2.00

LIQUID FROM TRANSPORT METERS 1 THROUGH 4 TO TRANSPORT BULKHEADS

GAR135	Garlock gasket, 3" - 300#	1.00
TH3300-3	3"-300# x 3" thr. flange	4.00
BK3300	3"-300# Bolt kit	1.00
AC100-175	1 3/4 Ac plugs, nylon/chain	2.00
EW300	3" sch 40 butt weld elbow	12.00
TW300	3" butt weld 3000# tee	4.00
3127U	1/4" hydrostatic relief valve	12.00
LP100x15	1" x 15' LP hose w/ends	4.00
ME825-16	MEC 2" Full Port Globe Valve	8.00
ME825-10	MEC 1 1/4" Globe Valve	4.00
AC305	3 1/4" Acme plug w/chain	8.00
AC175-100	1 3/4" FM Acme x 1" MPT	4.00

TRANSPORT UNLOADING**BULKHEAD**

GAR135	Garlock gasket, 3" - 300#	1.00
TH3300-3	3"-300# x 3" thr. flange	1.00
FLX300-18	3" x 18" flex connector	1.00
N550-24	3" Fisher Snappy Joe	1.00
EL300	3" elbow 2000#	2.00
NI300x12	3" x 12" XH nipple	1.00
BUK1038	3" x 3" x 1 1/4" bulkhead	1.00
SN300x200	3" x 2" XH Swage nipple	1.00
SN200x125	2" x 1 1/4" XH swage nipple	1.00
ME815-16	MEC 2" full port angle valve	2.00
ME825-10	MEC 1 1/4" Globe Valve	1.00
AC170-175	1 3/4 M Acme x 1 1/4" MPT	1.00
AC150-175	1 3/4" Acme Cap, nylon w/chain	1.00
AC320-325	3 1/4" M acme x 2" MPT	1.00
AC300-325	3 1/4" Acme Cap, brass w/chain	1.00
SW300x200	3" x 2" sch 40 Weld reducer	1.00

**LIQUID FROM BOBTAIL LOADING/TRANSPORT
UNLOADING BULKHEAD TO LIQUID IN HEADER LINE**

NI300x18	3" x 18" XH nipple	1.00
NI300x6	3" x 6" XH nipple	1.00
ME875-S-24	MEC 3" sight flow swing check	1.00
PIPE300	3" sch 80 PE pipe	21.00
NI300x8	3" x 8" XH nipple	1.00
Labor	Lead Man	8.00
Labor	Helper	8.00
BUK1038	3" x 3" x 1 1/4" bulkhead	1.00
TH3300-3	3"-300# x 3" thr. flange	1.00
ME825V-10	MEC 1 1/4" Globe Valve, Viton	1.00
EW600	6" sch 40 butt weld elbow	2.00

ESV SYSTEM

7605PN-50	pneumatic control kit	8.00
Outside Services	Industrial Air Compressor	1.00
Outside Services	Air Quick Disconnect Fittings/ used 425# Cylinder 125 gallon	24.00
CY425-U	used 425# Cylinder 125 gallon	1.00
Methanol	Methanol, per gallon	75.00
Labor	Lead Man	40.00
Labor	Helper	40.00
ME815-24	MEC 3" Full Port Angle Valve	1.00

ME815-16	MEC 2" full port angle valve	1.00
SOL200	2" Socket-o-let for 3"-6" pipe	24.00
SOL2x6	2" Socket-o-Let for 6" pipe	2.00
AV300-600	Weld-o-Let 3" onto 6" Pipe	3.00
AV300x300	3" weld-o-let	4.00
SO3300	3" 300# Slip On Flange	2.00
TW300	3" butt weld 3000# tee	1.00
BF3300	3" 300# Butterfly Valve	4.00

MISCELLANEOUS PARTS AND EQUIPMENT SUPPLIED BY A2 CORPORATION
PER CONTRACT OF NOVEMBER 18, 2012

EXHIBIT E
NOTICES OF TERMINATION

Grafton & Upton Railroad Company

929 Boston Post Road East
Marlborough, MA 01752
508-481-6095 * Fax 508-460-0578

July 15, 2013

GRT Financing, LLC
12 Roosevelt Avenue
Mystic, CT 06355
Attention: Larry Chesler, Manager

Notice of Termination of
Financing, Development and Construction Agreement of November 5, 2012
and All Other Agreements

Dear Mr. Chesler:

This letter is being written to give you written notice that Grafton & Upton Railroad Company hereby terminates the Financing, Development and Construction Agreement of November 5, 2012 and all other agreements, of every type and kind, between the parties and all respective rights and obligations thereunder, effective on Wednesday, July 17, 2013 at 5:00 PM.

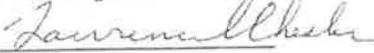
Very Truly Yours,

Grafton & Upton Railroad Company

By: 
Jon Delli Priscoli, President &
Treasurer & not individually

The above-described termination is accepted and agreed to as of this 16th day of July, 2013 by:

GRT Financing, LLC

By: 
Larry Chesler, Manager

Copy To: Patriot Gas Supply, LLC
All American Transloading, LLC
Spicer Plus, Inc.
NGL Supply Terminals Co.

Grafton & Upton Railroad Company

929 Boston Post Road East
Marlborough, MA 01752
508-481-6095 * Fax 508-460-0578

July 15, 2013

**SENT BY FEDERAL EXPRESS AND
FIRST CLASS MAIL**

All American Transloading, LLC
42 Westborough Road
North Grafton, MA 01536
Attention: Jonathan Holstein, Manager

Notice of Termination of
Terminal Transloading Agreement of October 1, 2012 and All Other Agreements

Dear Mr. Holstein:

The Grafton & Upton Railroad Company has terminated the Financing, Development and Construction Agreement of November 5, 2012 effective Wednesday, July 17, 2013 at 5:00 PM. Therefore, this letter is being written to give you written notice that Grafton & Upton Railroad Company hereby terminates the Terminal Transloading Agreement of October 1, 2012 and all other agreements, of every type and kind, between the parties and all respective rights and obligations thereunder, effective on Wednesday, July 17, 2013 at 5:00 PM.

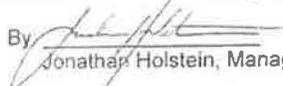
Very Truly Yours,

Grafton & Upton Railroad Company

By: 
Jon Delli Priscoli, President &
Treasurer & not individually

This termination is accepted and agreed to as of this 16th day of July, 2013 by:

All American Transloading, LLC

By: 
Jonathan Holstein, Manager

Copy To: GRT Financing, LLC
Patriot Gas Supply, LLC
Spicer Plus, Inc.
NGL Supply Terminal Co.

Grafton & Upton Railroad Company

929 Boston Post Road East
Marlborough, MA 01752
508-481-6095 * Fax 508-460-0578

July 15, 2013

Patriot Gas Supply, LLC
14 Indian Rock Lane
Greenwich, CT 06830
Attention: Austin P. Clark, Manager

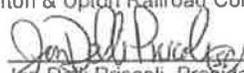
Notice of Termination of
Confidential Rail Transportation Agreement of October 1, 2012 and All Other
Agreements

Dear Mr. Clark:

The Grafton & Upton Railroad Company has terminated the Financing, Development and Construction Agreement of November 5, 2012 effective Wednesday, July 17, 2013 at 5:00 PM. Therefore, this letter is being written to give you written notice that the Grafton & Upton Railroad Company hereby terminates the Confidential Rail Transportation Agreement of October 1, 2012 and all other agreements, of every type and kind, between the parties and all respective rights and obligations thereunder, effective on Wednesday, July 17, 2013 at 5:00 PM.

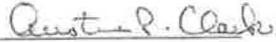
Very Truly Yours,

Grafton & Upton Railroad Company

By: 
Jon Dell Priscoli, President &
Treasurer & not individually

This termination is accepted and agreed to as of this 17th day of July, 2013 by:

Patriot Gas Supply, LLC

By: 
Austin P. Clark, Manager

Copy To: GRT Financing LLC
All American Transloading, LLC
Spicer Plus, Inc.
NGL Supply Terminals Co.

Grafton & Upton Railroad Company

929 Boston Post Road East
Marlborough, MA 01752
508-481-6095 * FAX 508-460-0578

July 15, 2013

Spicer Advanced Gas
36 Thames Street
Groton, CT 06340
Attention: Larry Chesler, President

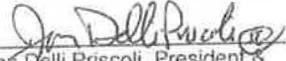
Notice of Termination of
Letter of Intent of April 6, 2012 and All Other Agreements

Dear Mr. Holstein:

The Grafton & Upton Railroad Company has terminated the Financing, Development and Construction Agreement of November 5, 2012 effective Wednesday, July 17, 2013 at 5:00 PM. Therefore, this letter is being written to give you written notice that Grafton & Upton Railroad Company hereby terminates the Letter Of Intent of April 6, 2012 and all other agreements, of every type and kind, between the parties and all respective rights and obligations thereunder, effective on Wednesday, July 17, 2013 at 5:00 PM.

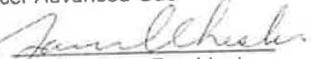
Very Truly Yours,

Grafton & Upton Railroad Company

By: 
Jon Delli Priscoli, President &
Treasurer & not individually

The termination is accepted and agreed to as of this 16th day of July, 2013 by:

Spicer Advanced Gas

By: 
Larry Chesler, President

Copy To: GRT Financing, LLC
Patriot Gas Supply, LLC
All American Terminals, LLC
Spicer Plus, Inc.
NGL Supply Terminals Co.

EXHIBIT 2

LAY DOWN LICENSE AGREEMENT

This lay down License Agreement (the "License Agreement") is made effective and entered into as of the date written below by and between The City of Fall River, a municipal corporation having a usual place of business at One Government Center, Fall River, MA 02722 (hereinafter referred to as the "CITY") and the Grafton & Upton Railroad Company, a Massachusetts corporation, having a usual place of business at 929 Boston Post Road East, Marlborough, MA 01752 (hereinafter referred to as the "LICENSEE").

1. LICENSE. The CITY hereby grants to LICENSEE a revocable license for the sole purpose of lying down and storing four (4) empty, clean and decommissioned tanks each of which is approximately 120 feet in length and 11 feet in width.
2. LOCATION. The location of the lay down license area is in Birch Street, Fall River, MA as shown on the plan attached hereto as Exhibit A which plan is incorporated herein (the "Lay Down License Area").
3. TERM. The term of this License Agreement shall commence on the date of execution of this License Agreement with a Term ending twelve (12) months from the date of execution by the CITY unless terminated as provided in this License Agreement
4. LICENSE FEES. LICENSEE shall pay to the City as a monthly license fee, without deduction, setoff, prior notice or demand, the sum of \$1,000.00 per month with the advance payment of \$12,000.00 being paid in advance for the entire Term at the time of execution of this License Agreement.
5. INDEMNIFICATION. The CITY shall not be liable to LICENSEE and LICENSEE hereby waives all claims against the CITY for any injury or damage to any person or property in or about the Lay Down License Area by or from any cause whatsoever, except injury or damage to LICENSEE resulting from the acts or omissions of the CITY or the CITY'S authorized agents.

LICENSEE shall hold the CITY harmless from and defend the CITY against any and all claims or liabilities for any injury or damage to any person or property whatsoever, (i) occurring in, on or about the Lay Down License Area, or any part of it and (ii) occurring in, on or about any part of the Lay Down License Area when that injury or damage was caused in part or in whole by the act, neglect, fault or omission of any duty by the LICENSEE, its agents, servants, employees or invitees

6. COMPLIANCE WITH LAWS: HAZARDOUS MATERIALS; NO WASTE. LICENSEE agrees to comply with all present and future applicable governmental laws, ordinances, orders and regulations affecting the Licensed Premises, or the use thereof and all rules and regulations adopted by CITY and any governing committee governing the Property.

LICENSEE hereby agrees that LICENSEE, its employees, agents, contractors and invitees shall not, at any time, cause or permit Hazardous Material (as hereinafter defined), to be brought, stored, generated, manufactured, processed, treated, used or disposed of in or about the Licensed Premises and Property. The term "Hazardous Material" shall mean pollutants, contaminants, toxic or hazardous wastes, or any other substances, the removal of which is required or the use of which is restricted, prohibited or penalized by any "Environmental Law", which term shall mean any law relating to health, pollution, or protection of the environment.

7. **INSURANCE.** LICENSEE shall procure its own Comprehensive General Liability Policy ("CGL") with a minimum limit of \$1,000,000, listing the CITY as an additional insured and provide the CITY with an Insurance Certificate of said CGL.
8. **RELEASE AND DISCHARGE.** CITY shall not be responsible for, and assumes no liability arising from fire, theft, damage or loss to LICENSEE'S property.
9. **NOTICES.** Any notices required to be given under this License Agreement shall be in writing and shall be deemed properly delivered when personally delivered to the CITY or LICENSEE, or in lieu of such personal service, when sent by United States mail, registered or certified, return receipt requested, or by overnight delivery to the addresses referenced in the first paragraph of this License Agreement.
10. **TERMINATION.** This revocable license may be terminated by either the CITY or LICENSEE upon sixty (60) days prior written notice to the other party.
11. **BREACH OR DEFAULT OR LICENSE AGREEMENT.** The occurrence of any of the following shall constitute a breach or default of this License Agreement by LICENSEE:
 - a. Failure to pay any fee due under this License Agreement when due, if the failure to pay continues for five (5) business days after notice of the failure has been given to the LICENSEE, and
 - b. Except as otherwise specifically provided in this License Agreement, failure to perform any other provision of this Licenses Agreement if the failure to perform is not cured within ten (10) days after notice of the failure has been given to LICENSEE. If the breach or default cannot be reasonably cured within ten (10) business days, LICENSEE shall not be in breach or default of this License Agreement if LICENSEE commences to cure the breach or default within the ten (10) day period and diligently and in good faith continues to cure the default.
12. **ENTIRE AGREEMENT.** This License Agreement shall be governed under the laws of the Commonwealth of Massachusetts and contains all the representations and the entire understanding and agreement between the parties pertaining to the use of the Lay Down License

Area or any other matters connected therewith. This License Agreement shall not be altered, amended or modified except by a writing signed by the CITY and LICENSEE.

12. MISCELLANEOUS. All provisions of this Agreement assigning obligations and allocating responsibility or liability between LICENSEE and CITY and indemnification provisions hereof shall survive the expiration of this Agreement.

If any provision of this Agreement is declared or found to be void, then both parties shall be relieved of all obligations under that provision. The remainder of this Agreement shall remain enforceable to the fullest extent permitted by law.

Any activity that would constitute a violation of the conflict of interest law, codified at M.G.L. c. 268A, is expressly prohibited.

13. DATE OF AGREEMENT. The date of this License Agreement shall be that date that it shall have been signed by the CITY.

Dated: August 13, 2013

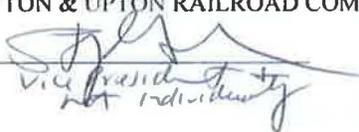
CITY OF FALL RIVER

By: 
William A. Flanagan
Mayor

Dated: August 16, 2013

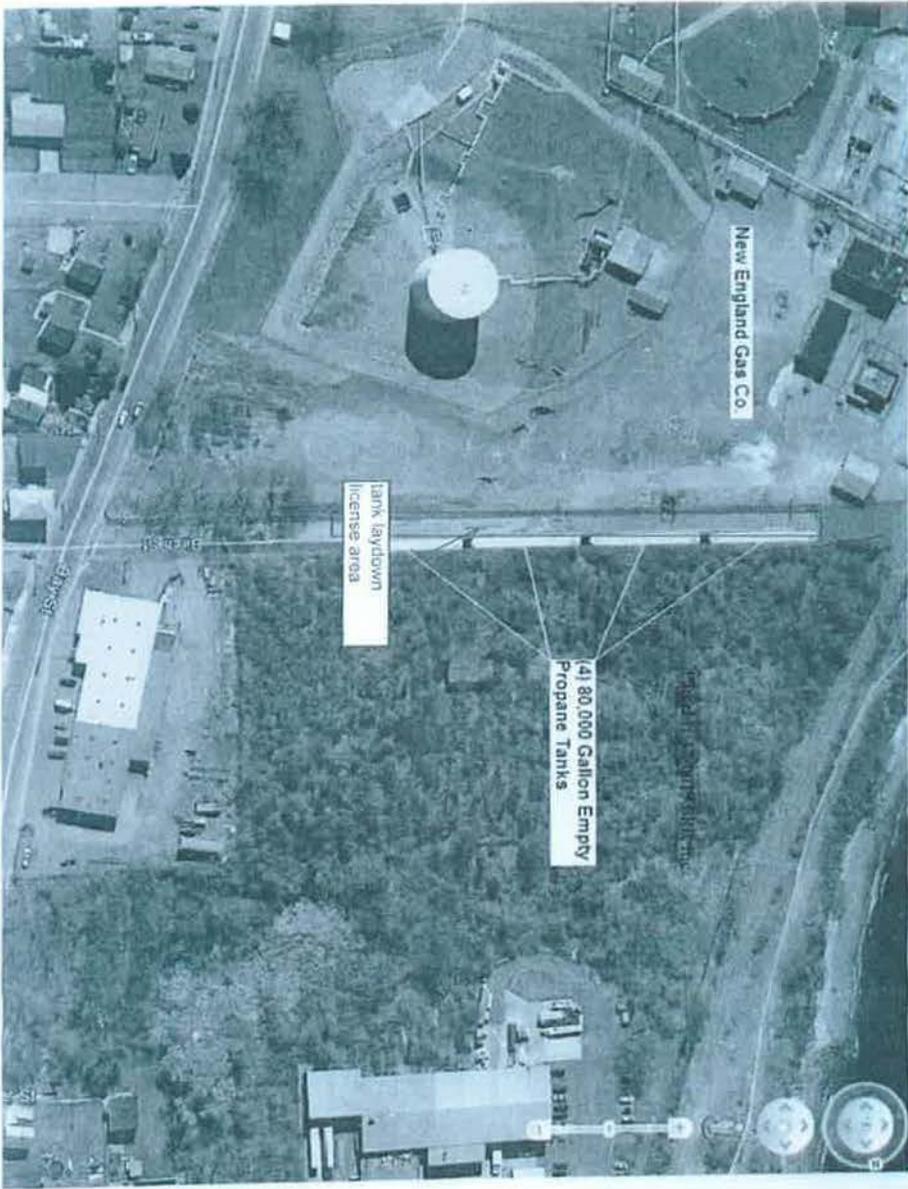
LICENSEE

GRAFTON & UPTON RAILROAD COMPANY

By: 
Vice President
Grafton & Upton Railroad Company

Approved as to form and manner of execution


Corporation Counsel



CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

GRAFTON & UPTON RAILROAD

929 Boston Post Road East
Marlborough, MA 01752
508-481-6095

COMMERCE BANK AND TRUST COMPANY
53-014/113

20600

8/13/2013

PAY TO THE
ORDER OF City of Fall River

\$ 12,000.00

Twelve Thousand and 00/100..... DOLLARS

City of Fall River
One Government Center
Fall River, MA 02722

MEMO

License

⑈020600⑈ ⑆011300142⑆ ? 167 894⑈

GRAFTON & UPTON RAILROAD

20600

City of Fall River
Date 8/13/2013 Type Bill Reference License

Original Amt.
12,000.00

Balance Due
12,000.00

8/13/2013
Discount
Check Amount

Payment
12,000.00
12,000.00

Commerce Checking License

12,000.00

EXHIBIT 3

Grafton & Upton Railroad Company

929 Boston Post Road East

Marlborough, MA 01752
508-481-6095 * Fax 508-460-0378

April 6, 2012

Spicer Advanced Gas
36 Thames Street
Groton, CT 06340
Attention: Mr. Jon Holstein

Re: Letter Of Intent by & between the Grafton & Upton Railroad Company (the "Railroad") and Spicer Advanced Gas ("Spicer") in North Grafton, MA (the "Grafton & Upton Transfer Facility")

Dear Jon:

The following are the proposed general terms that we are proposing to offer to Spicer at the new Grafton & Upton Transfer Facility of the Railroad in North Grafton, MA. We understand that Spicer intends to conduct its operations through two affiliated companies All American Terminals, which will conduct transloading on a subcontracted basis, and Patriot Gas Supply which wholesales propane in New England:

A. Acquisition & Construction:

1. The Railroad will provide 8+/- acres of land at its' existing rail yard in North Grafton for a Transfer Facility for purposes of transloading LPG .
2. The Railroad's responsibilities are set forth on the Exhibit to this letter.
3. All American Terminals' responsibilities are set forth on the Exhibit to this letter.
4. All American Terminals will provide funding to the G&U for the supplying and construction of the transfer facilities to be installed per item 3 above. This shall be in the form of either a financing agreement with a lender or leasing company; or some combination of both. Terms of this financing arrangement must be agreed to by the parties.
5. LPG Ventures will be engaged to design and construct the Transfer Facility.

B. Propane Transfer Operations:

1. Patriot will be a receiver of LPG and will be paying freight charges for transportation to G&U. Patriot Gas will enter into a Transportation Agreement with the Railroad. Since the Transfer Facility is open, there will be other shippers
2. Patriot Gas will be a purchaser/receiver of LPG, and will be selling LPG to third parties. A Transportation Agreement will be entered between Patriot Gas and the Railroad. Since the LPG Terminal is open, there will be other receivers.
3. All American Terminals will perform all services, as a subcontractor of the Railroad, necessary to transfer LPG from railcars in accordance with all applicable regulations and will enter into a Terminal Transloading Agreement with the G&U.
4. A Transportation Agreement will be entered into by the Railroad and Patriot Gas. The Transportation Agreement will provide terms and conditions for transportation rates and guaranteed minimum volumes of LPG.
5. The Grafton & Upton Transfer Facility will be open to any producer/shipper of LPG and any buyer/receiver of LPG.
6. The Railroad will conduct all marketing of the Transfer Facility including the line haul service by rail to the facility and the transfer services at the facility. The facility will be open to any supplier or purchaser of LPG.
7. The Railroad will invoice and collect from the rail customer, which will presumably be the supplier, but could be the purchaser, for both line haul and transfer services.
8. Railroad may conduct any transportation business, in addition to the transloading of LPG, at the Transfer Facility. Neither Patriot Gas nor All American Terminals will conduct any independent business at the transfer facility.
9. This Letter of Intent is a preliminary summary of essential terms, and will not become a binding agreement until the parties enter into a fuller and complete agreement containing all essential terms and conditions.

C. Monetary & Other Business Terms:

1.

a. The Railroad will be paid the following minimums for rail car switches/delivery:

Year 1:	\$525.00 per rail car;
Year 2 Forward:	\$600 per rail car up to 800 rail cars;
	\$550 per rail car between 800-1000 rail cars;
	\$500 per rail car between 1000-1200 rail cars;
	\$450 per rail car 1200 + rail cars.

An annual increase or index will be agreed to in the Transportation Agreement.

b. In addition, the Railroad will be paid an additional minimum of \$250 per rail car based upon an 800 minimum number of rail cars per year for up to 15 years, which sum shall be in addition to the minimums set forth in subsection a above. This payment shall burn off after the Railroad is paid for 12,000 rail cars.

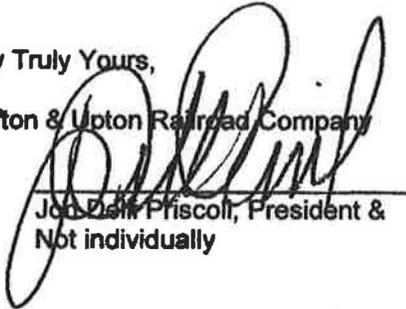
c. Patriot Gas will guarantee the delivery to the Transfer Facility of a minimum of 800 cars of LPG each year.

2. The Railroad and Patriot Gas to split any legal and related costs dealing with preemption rights to operate and maintain the LPG Terminal. Patriot Gas and All American Terminals acknowledge, understand and agree that they have independently reviewed the application of federal preemption principles to this transaction and that reliance on preemption could be challenged, in which event none of them shall have any claims against the Railroad.

Very Truly Yours,

Grafton & Upton Railroad Company

By:


Joe Deir Priscoti, President &
Not individually

Agreed to this ____ day of April, 2012

Spicer Advanced Gas

By:


Lawrence C. Chesler, President

Grafton & Upton LPG Transfer Facility Construction

Responsible Parties

Pre-Construction

G&U RR

- 1) Town Awareness-Conceptual Plan to be shown to Town Manager, and any follow-up thereafter that G&U determines to be necessary / There are no approvals from Town of Grafton when development/construction proceeds under preemption.
- 2) Site and Soil Engineering (with backup from LPG Ventures)
- 3) Rail Spur engineering

Spicer Group / LPG Ventures

- 1) Plant Engineering / Piping layout and design
- 2) Water Suppression requirements / engineering
- 3) Truck loading layout / engineering

Construction

G&U RR

- 1) Sitework – clearing, leveling and compacted to specifications
- 2) Rail track spur / switches / trackage / d-rail . . . etc
- 3) Utilities provided to site – sewer / water / electric
- 4) Drainage
- 5) Site provided for ready install of equipment

Spicer Group / LPG Ventures

- 1) Installation of 4 80,000 gallon LP tanks and concrete piers to set on
- 2) Rail tower installation and piping to tank headers
- 3) Install of piping, pumps, compressors to design specifications
- 4) Water suppression system
- 5) Electrical work – Tie in of pumps / compressors / metering system and site lighting
- 6) Truck loading racks
- 7) Concrete work / asphalt
- 8) Fencing of entire LPG Transfer facility
- 9) Design of facility and all safety compliance with all applicable authorities.

For Discussion

- 1) **Finish sitework / planting**
- 2) **Water supply / retention pond**